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248.23	Section 1. Minnesota Statutes 2018, section 13.685, is amended to read:	98.25	ARTICLE 10
248.24	13.685 MUNICIPAL UTILITY CUSTOMER DATA.	98.26	RENEWABLE DEVELOPMENT
248.25	Data on customers of municipal electric utilities are private data on individuals or		
248.26	nonpublic data, but may be released to:		
248.27	(1) a law enforcement agency that requests access to the data in connection with an		
248.28	investigation;		
248.29	(2) a school for purposes of compiling pupil census data;		
248.30	(3) the Metropolitan Council for use in studies or analyses required by law;		
249.1	(4) a public child support authority for purposes of establishing or enforcing child support;		
249.2	or		
249.3	<u>(5) a person authorized to receive the data under section 216B.078; or</u>		
249.4	(5) <u>(6)</u> a person where use of the data directly advances the general welfare, health, or		
249.5	safety of the public; the commissioner of administration may issue advisory opinions		
249.6	construing this clause pursuant to section 13.072.		

98.27 Section 1. Minnesota Statutes 2018, section 116C.779, subdivision 1, is amended to read:
 98.28 Subdivision 1. **Renewable development account.** (a) The renewable development
 98.29 account is established as a separate account in the special revenue fund in the state treasury.
 98.30 Appropriations and transfers to the account shall be credited to the account. Earnings, such
 98.31 as interest, dividends, and any other earnings arising from assets of the account, shall be
 98.32 credited to the account. Funds remaining in the account at the end of a fiscal year are not
 99.1 canceled to the general fund but remain in the account until expended. The account shall
 99.2 be administered by the commissioner of management and budget as provided under this
 99.3 section.

99.4 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
99.5 plant must transfer all funds in the renewable development account previously established
99.6 under this subdivision and managed by the public utility to the renewable development
99.7 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
99.8 that have not yet been expended and unencumbered funds required to be paid in calendar
99.9 year 2017 under paragraphs (e) and (f) and (g), and sections 116C.7792 and 216C.41, are
99.10 not subject to transfer under this paragraph.

99.11 (c) ~~Except as provided in subdivision 1a, Beginning January 15, 2018 2020, and~~ continuing each January 15 thereafter, the public utility that owns the Prairie Island and
99.12 Monticello nuclear generating ~~plant~~ plants must transfer to the renewable development
99.13 account \$500,000 each year for each dry cask containing spent fuel that is located at the
99.14 Prairie Island power plant for the following amounts each year ~~the either~~ plant is in operation;
99.15 and \$7,500,000 each year the plant is not in operation; (1) \$33,000,000 in 2020; (2)
99.16 \$31,000,000 in 2021; and (3) \$20,000,000 in 2022 and each year thereafter. If ordered by
99.17 the commission pursuant to paragraph ~~(i)~~ (h), the public utility must transfer \$7,500,000
99.18 each year the Prairie Island plant is not in operation and \$5,250,000 each year the Monticello
99.19 plant is not in operation. The fund transfer must be made if nuclear waste is stored in a dry
99.20 cask at the independent spent-fuel storage facility at Prairie Island or Monticello for any
99.21 part of a year.

99.22 (d) ~~Except as provided in subdivision 1a, beginning January 15, 2018, and continuing~~ each January 15 thereafter, the public utility that owns the Monticello nuclear generating
99.23 plant must transfer to the renewable development account \$350,000 each year for each dry
99.24 cask containing spent fuel that is located at the Monticello nuclear power plant for each
99.25 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered
99.26 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear
99.27 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for
99.28 any part of a year.

99.29 (e) Each year, the public utility shall withhold from the funds transferred to the
99.30 renewable development account under ~~paragraphs~~ paragraph (c) and ~~(d)~~ the amount necessary
99.31 to pay its obligations for that calendar year under paragraphs (e), (f) and (g), (j), and (n),
99.32 and sections 116C.7792 and 216C.41, for that calendar year.

100.1 (f) (e) If the commission approves a new or amended power purchase agreement, the
100.2 termination of a power purchase agreement, or the purchase and closure of a facility under
100.3 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
100.4 the public utility subject to this section shall enter into a contract with the city in which the
100.5 poultry litter plant is located to provide grants to the city for the purposes of economic
100.6 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
100.7 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
100.8 by the public utility from funds withheld from the transfer to the renewable development
100.9 account, as provided in paragraphs (b) and (e) (d).

100.10 ~~(e)~~ (f) If the commission approves a new or amended power purchase agreement, or the
100.11 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
100.12 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
100.13 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
100.14 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
100.15 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
100.16 30 days after the commission approves the new or amended power purchase agreement, or
100.17 the termination of the power purchase agreement, and on each June 1 thereafter through
100.18 2021, to assist the transition required by the new, amended, or terminated power purchase
100.19 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
100.20 to the renewable development account as provided in paragraphs (b) and ~~(e)~~ (d).

100.21 ~~(h)~~ (g) The collective amount paid under the grant contracts awarded under paragraphs
100.22 ~~(e)~~ and ~~(f)~~ and ~~(g)~~ is limited to the amount deposited into the renewable development account,
100.23 and its predecessor, the renewable development account, established under this section, that
100.24 was not required to be deposited into the account under Laws 1994, chapter 641, article 1,
100.25 section 10.

100.26 ~~(h)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the
100.27 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the
100.28 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for
100.29 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello
100.30 facility for any year in which the commission finds, by the preponderance of the evidence,
100.31 that the public utility did not make a good faith effort to remove the spent nuclear fuel stored
100.32 at the facility to a permanent or interim storage site out of the state. This determination shall
100.33 be made at least every two years.

100.34 (i) The public utility must annually file with the commission a petition to recover through
100.35 a rider mechanism all funds it is required to transfer or withhold under paragraphs (c) to (f)
101.1 for the next year. The commission must approve a reasonable cost recovery schedule for
101.2 all funds under this paragraph.

101.3 (j) On or before January 15 of each year, the public utility must file a petition with the
101.4 commission identifying the amounts withheld by the public utility the prior year under
101.5 paragraph (d) and the amount actually paid the prior year for obligations identified in
101.6 paragraph (d). If the amount actually paid is less than the amount withheld, the public utility
101.7 must deduct the surplus from the amount withheld for the current year under paragraph (d).
101.8 If the amount actually paid is more than the amount withheld, the public utility must add
101.9 the deficiency amount to the amount withheld for the current year under paragraph (d). Any
101.10 surplus remaining in the account after all programs identified in paragraph (d) are terminated
101.11 must be returned to the public utility's customers.

101.12 ~~(k)~~ Funds in the account may be expended only for any of the following purposes:
101.13 (1) to stimulate research and development of renewable electric energy technologies;

101.14 (2) to encourage grid modernization, including, but not limited to, projects that implement
101.15 electricity storage, load control, and smart meter technology; and

101.16 (3) to stimulate other innovative energy projects that reduce demand and increase system
101.17 efficiency and flexibility.

101.18 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
101.19 from the utility that owns a nuclear-powered electric generating plant in this state or the
101.20 Prairie Island Indian community or its members.

101.21 The utility that owns a nuclear generating plant is eligible to apply for grants under this
101.22 subdivision.

101.23 ~~(k)~~ For the purposes of paragraph ~~(k)~~, the following terms have the meanings
101.24 given:

101.25 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
101.26 (c), clauses (1), (2), (4), and (5); and

101.27 (2) "grid modernization" means:

101.28 (i) enhancing the reliability of the electrical grid;

101.29 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
101.30 and

101.31 (iii) increasing energy conservation opportunities by facilitating communication between
101.32 the utility and its customers through the use of two-way meters, control technologies, energy
102.1 storage and microgrids, technologies to enable demand response, and other innovative
102.2 technologies.

102.3 ~~(k)~~ A renewable development account advisory group that includes, among others,
102.4 representatives of the public utility and its ratepayers, and includes at least one representative
102.5 of the Prairie Island Indian community appointed by that community's tribal council, shall
102.6 develop recommendations on account expenditures. Members of the advisory group, other
102.7 than members appointed by the tribal council, must be chosen by the public utility. The
102.8 advisory group must design a request for proposal and evaluate projects submitted in response
102.9 to a request for proposals. The advisory group must utilize an independent third-party expert
102.10 to evaluate proposals submitted in response to a request for proposal, including all proposals
102.11 made by the public utility. A request for proposal for research and development under
102.12 paragraph ~~(k)~~, clause (1), may be limited to or include a request to higher education
102.13 institutions located in Minnesota for multiple projects authorized under paragraph ~~(k)~~,
102.14 clause (1). The request for multiple projects may include a provision that exempts the
102.15 projects from the third-party expert review and instead provides for project evaluation and
102.16 selection by a merit peer review grant system. In the process of determining request for
102.17 proposal scope and subject and in evaluating responses to request for proposals, the advisory
102.18 group must strongly consider, where reasonable, potential benefit to Minnesota citizens and
102.19 businesses and the utility's ratepayers.

102.20 (n) The cost to acquire the services of the independent third-party expert described in
102.21 paragraph (m), and any other reasonable costs incurred to administer the advisory group
102.22 and its actions required by this section, must be paid from funds withheld by the public
102.23 utility under paragraph (d). The total amount withheld under this paragraph must not exceed
102.24 \$125,000 each year.

102.25 (m) (o) The advisory group shall submit funding recommendations to the public utility,
102.26 which has full and sole authority to determine which expenditures shall be submitted by
102.27 the advisory group to the legislature commission. The commission may approve proposed
102.28 expenditures, may disapprove proposed expenditures that it finds not to be in compliance
102.29 with this subdivision or otherwise not in the public interest, and may, if agreed to by the
102.30 public utility, modify proposed expenditures. The commission shall, by order, submit its
102.31 funding recommendations to the legislature as provided under paragraph (n)(p).

102.32 (n)(p) The commission shall present its recommended appropriations from the account
102.33 to the senate and house of representatives committees with jurisdiction over energy policy
102.34 and finance annually by February 15. Expenditures from the account must be appropriated
102.35 by law. In enacting appropriations from the account, the legislature:

103.1 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
103.2 a project recommended by the commission; and

103.3 (2) may not appropriate money for a project the commission has not recommended
103.4 funding.

103.5 (o)(q) A request for proposal for renewable energy generation projects must, when
103.6 feasible and reasonable, give preference to projects that are most cost-effective for a particular
103.7 energy source.

103.8 (p)(r) The advisory group must annually, by February 15, report to the chairs and ranking
103.9 minority members of the legislative committees with jurisdiction over energy policy on
103.10 projects funded by the account under paragraph (k) for the prior year and all previous years.
103.11 The report must, to the extent possible and reasonable, itemize the actual and projected
103.12 financial benefit to the public utility's ratepayers of each project.

103.13 (s) By June 1, 2019, and each June 1 thereafter, the public utility that owns the Prairie
103.14 Island nuclear electric generating plant must submit to the commissioner of management
103.15 and budget an estimate of the amount the public utility will deposit into the account January
103.16 15 the next year, based on the provisions of paragraphs (c) to (h) and any appropriations
103.17 made from the fund during the most recent legislative session.

103.18 (t) By February 1, 2018 June 30, 2019, and each February 1 June 30 thereafter, the
103.19 commissioner of management and budget shall must estimate the balance in the account as
103.20 of the following January 31, taking into account the balance in the account as of June 30
103.21 and the information provided under paragraph (r). By July 15, 2019, and each July 15
103.22 thereafter, the commissioner of management and budget must submit a written report
103.23 regarding the availability of funds in and obligations of the account to the chairs and ranking

249.7 Sec. 2. Minnesota Statutes 2018, section 116C.7792, is amended to read:
 249.8 116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.

249.9 The utility subject to section 116C.779 shall operate a program to provide solar energy
 249.10 production incentives for solar energy systems of no more than a total aggregate nameplate
 249.11 capacity of 40 kilowatts ~~direct alternating~~ current per premise. The owner of a solar energy
 249.12 system installed before June 1, 2018, is eligible to receive a production incentive under this
 249.13 section for any additional solar energy systems constructed at the same customer location,
 249.14 provided that the aggregate capacity of all systems at the customer location does not exceed
 249.15 40 kilowatts. The program shall be operated for ~~eight~~ nine consecutive calendar years
 249.16 commencing in 2014. \$5,000,000 shall be allocated in each of the first four years,
 249.17 \$15,000,000 in each of the fifth year, \$10,000,000 and sixth years, \$14,000,000 in each of
 249.18 the sixth and seventh and eighth years, and \$5,000,000 in the eighth ninth year from funds
 249.19 withheld from transfer to the renewable development account under section 116C.779,
 249.20 subdivision 1, paragraphs (b) and (e), and placed in a separate account for the purpose of
 249.21 the solar production incentive program operated by the utility and not for any other program
 249.22 or purpose. Any unspent amount allocated in the fifth year is available until December 31
 249.23 of the sixth year. Any unspent amount remaining at the end of any other allocation year
 249.24 must be transferred to the renewable development account. The solar system must be sized
 249.25 to less than 120 percent of the customer's on-site annual energy consumption when combined
 249.26 with other distributed generation resources and subscriptions provided under section
 249.27 216B.1641 associated with the premise. The production incentive must be paid for ten years

103.24 minority members of the senate and house committees with jurisdiction over energy policy
 103.25 and finance, the public utility, and the advisory group. If more than \$15,000,000 is estimated
 103.26 to be available in the account as of January 31, the advisory group must, by January 31 the
 103.27 next year, issue a request for proposals to initiate a grant cycle for the purposes of paragraph
 103.28 (k).

103.29 ~~(t)~~ (u) A project receiving funds from the account must produce a written final report
 103.30 that includes sufficient detail for technical readers and a clearly written summary for
 103.31 nontechnical readers. The report must include an evaluation of the project's financial,
 103.32 environmental, and other benefits to the state and the public utility's ratepayers.

104.1 ~~(s)~~ (v) Final reports, any mid-project status reports, and renewable development account
 104.2 financial reports must be posted online on a public website designated by the commissioner
 104.3 of commerce.

104.4 ~~(t)~~ (w) All final reports must acknowledge that the project was made possible in whole
 104.5 or part by the Minnesota renewable development account, noting that the account is financed
 104.6 by the public utility's ratepayers.

104.7 ~~(t)~~ (x) Of the amount in the renewable development account, priority must be given to
 104.8 making the payments required under section 216C.417.

104.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

64.16 Section 1. Minnesota Statutes 2018, section 116C.7792, is amended to read:
 64.17 116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.

64.18 The utility subject to section 116C.779 shall operate a program to provide solar energy
 64.19 production incentives for solar energy systems of no more than a total aggregate nameplate
 64.20 capacity of 40 kilowatts ~~direct alternating~~ current per premise. The owner of a solar energy
 64.21 system installed before June 1, 2018, is eligible to receive a production incentive under this
 64.22 section for any additional solar energy systems constructed at the same customer location,
 64.23 provided that the aggregate capacity of all systems at the customer location does not exceed
 64.24 40 kilowatts. The program shall be operated for eight consecutive calendar years commencing
 64.25 in 2014. \$5,000,000 shall be allocated in each of the first four years, \$15,000,000 in the
 64.26 fifth year, \$10,000,000 in each of the sixth and seventh years, and \$5,000,000 in the eighth
 64.27 year from funds withheld from transfer to the renewable development account under section
 64.28 116C.779, subdivision 1, paragraphs (b) and (e), and placed in a separate account for the
 64.29 purpose of the solar production incentive program operated by the utility and not for any
 64.30 other program or purpose. Any unspent amount allocated in the fifth year is available until
 64.31 December 31 of the sixth year. Any unspent amount remaining at the end of any other
 65.1 allocation year must be transferred to the renewable development account. The solar system
 65.2 must be sized to less than 120 percent of the customer's on-site annual energy consumption
 65.3 when combined with other distributed generation resources and subscriptions provided
 65.4 under section 216B.1641 associated with the premise. The production incentive must be
 65.5 paid for ten years commencing with the commissioning of the system. The utility must file

249.28 commencing with the commissioning of the system. The utility must file a plan to operate
249.29 the program with the commissioner of commerce. The utility may not operate the program
249.30 until it is approved by the commissioner. A change to the program to include projects up
249.31 to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with
249.32 the commissioner. Any plan approved by the commissioner of commerce must not provide
249.33 an increased incentive scale over prior years unless the commissioner demonstrates that
249.34 changes in the market for solar energy facilities require an increase.

250.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

65.6 a plan to operate the program with the commissioner of commerce. The utility may not
65.7 operate the program until it is approved by the commissioner. A change to the program to
65.8 include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility
65.9 to file a plan with the commissioner. Any plan approved by the commissioner of commerce
65.10 must not provide an increased incentive scale over prior years unless the commissioner
65.11 demonstrates that changes in the market for solar energy facilities require an increase.

65.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

104.10 Sec. 2. [116J.55] COMMUNITY ENERGY TRANSITION GRANTS.

104.11 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this
104.12 subdivision have the meanings given.

104.13 (b) "Advisory council" means the Community Energy Transition Grant Advisory Council
104.14 created in this section.

104.15 (c) "Commissioner" means the commissioner of employment and economic development.

104.16 (d) "Eligible community" means a county, municipality, or tribal government located
104.17 within a county that hosts an investor-owned electric generating plant powered by coal,
104.18 nuclear energy, or natural gas.

104.19 Subd. 2. **Establishment.** The commissioner shall establish a community energy transition
104.20 grant program to award grants to promote economic development in eligible communities.

104.21 Subd. 3. **Funding.** (a) A community energy transition account is created in the special
104.22 revenue fund in the state treasury. Money in the account is appropriated to the commissioner
104.23 for grants as provided in this section and must be expended only as provided in this section.

104.24 (b) On July 1, 2020, \$500,000 and then on July 1, 2021, and on each July 1 thereafter,
104.25 \$1,000,000 is transferred from the renewable development account under section 116C.779
104.26 to the commissioner for deposit in the community energy transition account. This transfer
104.27 must be made before any other payments or transfers required under section 116C.779.

104.28 (c) Grants to eligible communities in which an investor-owned electric generating plant
104.29 is located but has not been scheduled for retirement or decommissioning may not exceed
104.30 \$1,000,000. Grants to eligible communities in which an investor-owned electric generating
104.31 plant is located and is scheduled for retirement or decommissioning may not exceed
104.32 \$5,000,000.

105.1 (d) Unless amounts are otherwise appropriated for administrative costs, the commissioner
105.2 of employment and economic development may retain up to five percent of the amount
105.3 appropriated for grants under this section for administrative and personnel costs.

105.4 Subd. 4. **Cancellation of grant; return of grant money.** If after five years, the
105.5 commissioner determines that a project has not proceeded in a timely manner and is unlikely

105.6 to be completed, the commissioner must cancel the grant and require the grantee to return
105.7 all grant money awarded for that project. Grant money returned to the commissioner is
105.8 appropriated to the commissioner to make additional grants under this section.

105.9 Subd. 5. Grants to eligible communities. (a) The commissioner must award grants to
105.10 eligible communities through a competitive grant process. Eligible communities must be
105.11 located in the service territory of the public utility subject to section 116C.779.

105.12 (b) To receive grant funds, an eligible community must submit a written application to
105.13 the commissioner, using a form developed by the commissioner.

105.14 (c) The commissioner must consider the recommendations of the Community Energy
105.15 Transition Grant Advisory Council before selecting grant recipients.

105.16 (d) Grants must be used to plan for or address the economic and social impact on the
105.17 community of plant retirement or transition. Specific uses may include but are not limited
105.18 to:

105.19 (1) research;

105.20 (2) planning;

105.21 (3) studies;

105.22 (4) capital improvements; and

105.23 (5) incentives for businesses to open, relocate, or expand.

105.24 Subd. 6. Priorities. (a) In evaluating projects, the advisory council shall give priority
105.25 to eligible projects with one or more of the following characteristics:

105.26 (1) the potential of the eligible community to attract a viable business;

105.27 (2) the potential increase in the property tax base of the eligible community, considered
105.28 relative to the fiscal impact of the retirement of the electric generating plant located in the
105.29 eligible community;

105.30 (3) the extent to which the grant will assist the eligible community in addressing the
105.31 fiscal and social impacts of plant retirement; and

106.1 (4) the extent to which the grant will help the state transition away from fossil fuels.

106.2 (b) The factors listed in paragraph (a) are not ranked in order of priority. The
106.3 commissioner may weigh each factor, depending upon the facts and circumstances, as
106.4 appropriate. The commissioner may consider other factors that support the goals of this
106.5 program.

106.6 Subd. 7. Advisory council. (a) By September 1, 2019, the commissioner shall appoint
106.7 representatives to a Community Energy Transition Grant Advisory Council composed of
106.8 the following members:

- 106.9 (1) the commissioner of employment and economic development, or a designee;
106.10 (2) the commissioner of transportation, or a designee;
106.11 (3) the commissioner of the Minnesota Pollution Control Agency, or a designee;
106.12 (4) the commissioner of natural resources, or a designee;
106.13 (5) the commissioner of commerce, or a designee;
106.14 (6) one representative of the Prairie Island Indian community;
106.15 (7) two representatives of workers at investor-owned electric generating plants powered
106.16 by coal, nuclear energy, or natural gas; and
106.17 (8) four representatives of eligible communities, of which, two must be counties, two
106.18 must be municipalities, at least one must host a coal plant, at least one must host a nuclear
106.19 plant, and at least one must host a natural gas plant.

106.20 After the initial appointments, members of the advisory council shall be appointed no later
106.21 than January 15 of every odd-numbered year and shall serve until January 15 of the next
106.22 odd-numbered year. Members may be removed and vacancies filled as provided in section
106.23 15.059, subdivision 4. Appointed members are eligible for reappointment.

106.24 (b) The advisory council shall elect a chair and other officers at its first meeting.

106.25 (c) The advisory council shall review applications for community energy transition
106.26 grants and make recommendations to the commissioner of employment and economic
106.27 development.

106.28 (d) The commissioner of employment and economic development shall select projects
106.29 from the recommendations made by the advisory council under this subdivision with
106.30 consideration given to the priorities listed in subdivision 6.

107.1 (e) A member of the advisory council must not participate in the consideration of an
107.2 application from the community that member represents.

107.3 (f) Members of the advisory council serve without compensation or payment of expenses.

107.4 (g) The commissioner of employment and economic development or the commissioner's
107.5 designee shall provide meeting space and administrative services for the advisory council.
107.6 All costs necessary to support the advisory council's operations must be absorbed using
107.7 existing appropriations available to the commissioner.

250.2 Sec. 3. [216B.078] CUSTOMER ENERGY DATA.

250.3 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
250.4 the meanings given.

250.5 (b) "Customer" means a person contracting for or purchasing electric or natural gas
250.6 service from a utility.

250.7 (c) "Customer data" means all data a utility collects, creates, receives, or maintains in
250.8 which a customer is identified or can be identified as the subject of the data. Customer data
250.9 includes energy usage data.

250.10 (d) "Energy usage data" means a customer's account information and the data a utility
250.11 collects from the customer's meter that reflects the quantity, quality, or timing of the
250.12 customer's natural gas use, electricity use, or electricity production. Customer energy usage
250.13 data includes but is not limited to data regarding:

250.14 (1) the amount and timing of energy use and production;
250.15 (2) energy outages, frequency, intermittency, or shutoffs;
250.16 (3) pricing and rate data applicable to the customer; and
250.17 (4) any other energy usage data used to calculate the customer's bill.

250.18 (e) "Summary energy usage data" means statistical records and reports derived from
250.19 energy usage data that do not contain a customer's personally identifiable information.

250.20 (f) "Personally identifiable information" means any data in which a customer is identified
250.21 or can be identified as the subject of the data.

250.22 (g) "Third party" means a person, other than a customer, who requests customer energy
250.23 usage data or summary energy usage data from the utility that maintains the data.

250.24 (h) "Utility" means a public utility, retail municipal utility, or retail cooperative
250.25 association that provides electric or natural gas service to Minnesota customers.

107.8 (h) The advisory council is subject to chapter 13D, but may close a meeting to discuss
107.9 sensitive private business information included in grant applications. Data related to an
107.10 application for a grant submitted to the advisory council is governed by section 13.599.

107.11 (i) The commissioner shall convene the first meeting of the advisory council no later
107.12 than September 1, 2019.

107.13 Subd. 8. **Reports to the legislature.** By January 15, 2021, and each January 15 thereafter,
107.14 the commissioner must submit a report to the chairs and ranking minority members of the
107.15 committees of the house of representatives and the senate having jurisdiction over economic
107.16 development that details the use of grant funds. When possible, this report must include
107.17 data on the economic impact achieved by each grant.

250.26 Subd. 2. Customer access to energy usage data. (a) A utility must provide a customer
250.27 with access to the customer's own energy usage data.

250.28 (b) Access must be convenient for the typical customer. A utility's procedure to access
250.29 energy usage data must be user-friendly. The utility must present the energy usage data in
250.30 a format comprehensible to the typical customer.

251.1 (c) A utility must provide access to energy usage data in as close to real-time as
251.2 practicable.

251.3 (d) Access to energy usage data must be provided free of charge to the customer, except
251.4 that a utility may charge a fee if a customer requests access to energy usage data in a format
251.5 or standard that differs from the format or standard the utility generally offers to customers.

251.6 (e) A utility must notify a customer if it substantially modifies the customer's energy
251.7 usage data. The notification must include a detailed explanation of the changes made to the
251.8 customer's energy usage data.

251.9 Subd. 3. Third-party access to energy usage data. (a) If a customer provides
251.10 authorization, a utility must provide one or more third parties with access to the customer's
251.11 energy usage data.

251.12 (b) The procedure a utility uses to allow a customer to authorize third-party access to
251.13 energy usage data must be (1) convenient for the typical customer, and (2) available on the
251.14 utility's website and in physical form by mail.

251.15 (c) The scope of the authorization may limit a third party's access to specific elements
251.16 of the customer's energy usage data.

251.17 (d) An authorization to access energy usage data is valid for the period of time specified
251.18 in the written authorization. An authorization may include a period without a specified end
251.19 date.

251.20 (e) A customer may revoke an authorization for third-party access at any time. The
251.21 utility's procedure to revoke authorization must be (1) convenient for the typical customer,
251.22 and (2) available on the utility's website and in physical form by mail.

251.23 (f) Subject to the scope of the authorization, an authorized third party must have the
251.24 same level of access to the customer's energy usage data as the customer.

251.25 (g) To the extent a third party with access to energy usage data under this subdivision
251.26 maintains the data independent of the utility providing access, the third party is subject to
251.27 the data security and privacy requirements under subdivision 6.

251.28 Subd. 4. Public access to summary energy data. (a) A utility must prepare and make
251.29 available summary energy usage data upon the written request of any person. The procedure
251.30 a utility uses to allow a person to request summary energy data must be (1) convenient for

251.31 the typical customer, and (2) available on the utility's website. A utility may charge the
251.32 requester a fee to prepare and supply summary energy data.

252.1 (b) Summary energy usage data provided under this subdivision may include aggregated
252.2 sets of customer energy usage data from no less than 15 customers. A single customer's
252.3 energy use must not constitute more than 15 percent of total energy consumption for the
252.4 requested data set. Summary energy usage data may be disaggregated on a per-customer
252.5 basis, provided that the customer's identity is not ascertainable.

252.6 (c) Within ten days of the date a request for summary energy data is received, a utility
252.7 must respond by providing the requester with:

252.8 (1) the summary energy data requested or a reference to responsive summary energy
252.9 data published under paragraph (d);

252.10 (2) a written statement that describes any fee charged and a time schedule for preparing
252.11 the requested summary energy data, including reasons for any time delays; or

252.12 (3) a written statement stating reasons why the utility has determined the requested
252.13 summary energy data cannot be prepared.

252.14 (d) A utility may make summary energy data publicly available on its website.

252.15 Subd. 5. Fees charged for data. A utility charging a data access fee authorized by this
252.16 section must:

252.17 (1) base the fee amount on the actual costs incurred by the utility to create and deliver
252.18 the requested data;

252.19 (2) consider the reasonable value to the utility of the data prepared and, if appropriate,
252.20 reduce the fee assessed to the requesting person;

252.21 (3) provide the requesting person with an estimate and explanation of the fee; and
252.22 (4) collect the fee before preparing or supplying the requested data.

252.23 Subd. 6. Data security and privacy. (a) A utility must establish appropriate,
252.24 industry-standard safeguards to protect the security of energy usage data it maintains. A
252.25 utility is prohibited from selling, sharing, licensing, or disseminating energy usage data,
252.26 except as authorized under this section or by state or federal law.

252.27 (b) Utilities must implement risk management practices to protect customer data. Risk
252.28 management practices must include but are not limited to practices that:

252.29 (1) identify, analyze, and mitigate cybersecurity risks to customer data;

252.30 (2) reasonably protect against loss and unauthorized use, access, or dissemination of
252.31 customer data;

253.1 (3) implement employee training measures to preserve data integrity; and
253.2 (4) maintain a comprehensive data breach response program to identify, mitigate, and
253.3 resolve an incident that causes or results in the unauthorized use, access, or dissemination
253.4 of customer data. The data breach response program must provide for complete, accurate,
253.5 and timely notice to customers whose customer data may have been compromised.
253.6 (c) If a utility uses a third-party service to maintain or store customer data, the utility
253.7 must ensure that the third-party service implements risk management practices that meet
253.8 the requirements under paragraph (b).
253.9 Subd. 7. Enforcement. The commissioner may enforce this section as provided under
253.10 section 45.027.

253.11 Sec. 4. Minnesota Statutes 2018, section 216B.16, is amended by adding a subdivision to
253.12 read:
253.13 Subd. 7e. Energy storage system pilot projects. (a) A public utility may petition the
253.14 commission under this section to recover costs associated with implementing an energy
253.15 storage system pilot project. As part of the petition, the public utility must submit a report

65.13 Sec. 2. Minnesota Statutes 2018, section 216B.16, subdivision 6a, is amended to read:
65.14 Subd. 6a. Construction work in progress. To the extent that construction work in
65.15 progress is included in the rate base, the commission shall determine in its discretion whether
65.16 and to what extent the income used in determining the actual return on the public utility
65.17 property shall include an allowance for funds used during construction, considering the
65.18 following factors:
65.19 (1) the magnitude of the construction work in progress as a percentage of the net
65.20 investment rate base;
65.21 (2) the impact on cash flow and the utility's capital costs;
65.22 (3) the effect on consumer rates;
65.23 (4) whether it confers a present benefit upon an identifiable class or classes of customers;
65.24 and
65.25 (5) whether it is of a short-term nature or will be imminently useful in the provision of
65.26 utility service; and
65.27 (6) for a new nuclear powered generating plant with construction commencing after
65.28 June 1, 2019, no cost associated with owning, operating, maintaining, or financing the plant
65.29 may be approved or recovered from customers, either in rate base or through any other
65.30 means, before it is fully operational and used for service.
107.18 Sec. 3. Minnesota Statutes 2018, section 216B.16, is amended by adding a subdivision to
107.19 read:
107.20 Subd. 7e. Energy storage system pilot projects. (a) A public utility may petition the
107.21 commission under this section to recover costs associated with the implementation of an
107.22 energy storage system pilot project. As part of the petition, the public utility must submit a

253.16 to the commission containing, at a minimum, the following information regarding the
 253.17 proposed energy storage system pilot project:

253.18 (1) the storage technology utilized;
 253.19 (2) the energy storage capacity and the duration of output at that capacity;
 253.20 (3) the proposed location;
 253.21 (4) the purchase and installation costs;
 253.22 (5) how the project will interact with existing distributed generation resources on the
 253.23 utility's grid; and
 253.24 (6) the goals the project proposes to achieve, which may include controlling frequency
 253.25 or voltage, mitigating transmission congestion, providing emergency power supplies during
 253.26 outages, reducing curtailment of existing renewable energy generators, and reducing peak
 253.27 power costs.

253.28 (b) A utility may petition the commission to approve a rate schedule that provides for
 253.29 the automatic adjustment of charges to recover prudently incurred investments, expenses,
 253.30 or costs associated with energy storage system pilot projects approved by the commission
 253.31 under this subdivision. A petition filed under this subdivision must include the elements
 254.1 listed in section 216B.1645, subdivision 2a, paragraph (b), clauses (1) to (4), and must
 254.2 describe the benefits of the pilot project.

254.3 (c) The commission may approve, or approve as modified, a rate schedule filed under
 254.4 this subdivision. The rate schedule filed by the public utility may include the elements listed
 254.5 in section 216B.1645, subdivision 2a, paragraph (a), clauses (1) to (5).

254.6 (d) For each pilot project that the commission has determined is in the public interest,
 254.7 the commission must determine the specific amounts that are eligible for recovery under
 254.8 the approved rate schedule within 90 days of the date the specific pilot program receives
 254.9 final approval or within 90 days of the date the public utility files for approval of cost
 254.10 recovery for the specific pilot program, whichever is later.

254.11 (e) Nothing in this subdivision prohibits or deters the deployment of energy storage
 254.12 systems.

254.13 (f) For the purposes of this subdivision:

254.14 (1) "energy storage system" has the meaning given in section 216B.2422, subdivision
 254.15 1; and

254.16 (2) "pilot project" means a project that is (i) owned, operated, and controlled by a public
 254.17 utility to optimize safe and reliable system operations, and (ii) deployed at a limited number
 254.18 of locations in order to assess the technical and economic effectiveness of its operations.

107.23 report to the commission containing, at a minimum, the following information regarding
 107.24 the proposed energy storage system pilot project:

107.25 (1) the storage technology utilized;
 107.26 (2) the energy storage capacity and the duration of output at that capacity;
 107.27 (3) the proposed location;
 107.28 (4) the purchase and installation costs;
 107.29 (5) how the project will interact with existing distributed generation resources on the
 107.30 utility's grid; and
 108.1 (6) the goals the project proposes to achieve, which may include controlling frequency
 108.2 or voltage, mitigating transmission congestion, providing emergency power supplies during
 108.3 outages, reducing curtailment of existing renewable energy generators, and reducing peak
 108.4 power costs.

108.5 (b) A utility may petition the commission to approve a rate schedule that provides for
 108.6 the automatic adjustment of charges to recover prudently incurred investments, expenses,
 108.7 or costs associated with energy storage system pilot projects approved by the commission
 108.8 under this subdivision. A petition filed under this subdivision must include the elements
 108.9 listed in section 216B.1645, subdivision 2a, paragraph (b), clauses (1) to (4), and must
 108.10 describe the benefits of the pilot project.

108.11 (c) The commission may approve, or approve as modified, a rate schedule filed under
 108.12 this subdivision. The rate schedule filed by the public utility may include the elements listed
 108.13 in section 216B.1645, subdivision 2a, paragraph (a), clauses (1) to (5).

108.14 (d) For each pilot project that the commission has found to be in the public interest, the
 108.15 commission must make its determination on the specific amounts that are eligible for
 108.16 recovery under the approved rate schedule within 90 days of final approval of the specific
 108.17 pilot program or within 90 days of the public utility filing for approval of cost recovery for
 108.18 the specific pilot program, whichever is later.

108.19 (e) Nothing in this subdivision prohibits or deters the deployment of energy storage
 108.20 systems.

108.21 (f) For the purposes of this subdivision:

108.22 (1) "energy storage system" has the meaning given in section 216B.2422, subdivision
 108.23 1; and

108.24 (2) "pilot project" means a project that is owned, operated, and controlled by a public
 108.25 utility to optimize safe and reliable system operations and is deployed at a limited number
 108.26 of locations in order to assess the technical and economic effectiveness of its operations.

254.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

254.20 Sec. 5. Minnesota Statutes 2018, section 216B.16, subdivision 13, is amended to read:

254.21 Subd. 13. **Economic and community development.** The commission may allow a
254.22 public utility to recover from ratepayers the expenses incurred (1) for economic and
254.23 community development, and (2) to employ local workers to construct and maintain
254.24 generation facilities that supply power to the utility's customers.

254.25 Sec. 6. Minnesota Statutes 2018, section 216B.1641, is amended to read:

254.26 216B.1641 COMMUNITY SOLAR GARDEN.

254.27 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
254.28 the meanings given.

254.29 (b) "Subscriber" means a retail customer of a utility who owns one or more subscriptions
254.30 to a community solar garden interconnected with that utility.

255.1 (c) "Subscription" means a contract between a subscriber and the owner of a community
255.2 solar garden.

255.3 Subd. 2. Solar garden; project requirements. (a) The public utility subject to section
255.4 116C.779 shall file by September 30, 2013, a plan with the commission to operate a
255.5 community solar garden program which shall begin operations within 90 days after
255.6 commission approval of the plan. Other public utilities may file an application at their
255.7 election. The community solar garden program must be designed to offset the energy use
255.8 of not less than five subscribers in each community solar garden facility of which no single
255.9 subscriber has more than a 40 percent interest. The owner of the community solar garden
255.10 may be a public utility or any other entity or organization that contracts to sell the output
255.11 from the community solar garden to the utility under section 216B.164. There shall be no
255.12 limitation on the number or cumulative generating capacity of community solar garden
255.13 facilities other than the limitations imposed under section 216B.164, subdivision 4c, or
255.14 other limitations provided in law or regulations.

108.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

66.1 Sec. 3. Minnesota Statutes 2018, section 216B.1641, is amended to read:

66.2 216B.1641 COMMUNITY SOLAR GARDEN.

66.3 (a) The public utility subject to section 116C.779 shall file by September 30, 2013, 2019,
66.4 a plan with the commission to operate a community solar garden program which shall begin
66.5 operations within 90 days after commission approval of the plan. Upon approval of the
66.6 program required under this section, a program approved under this section before September
66.7 30, 2019, must cease operations, except that a community solar garden for which an
66.8 application is deemed complete under a prior program may continue to operate under that
66.9 program. Other public utilities may file an application at their election. The community
66.10 solar garden program must be designed to offset the energy use of not less than five
66.11 subscribers in each community solar garden facility of which no single subscriber has more
66.12 than a 40 percent interest. The owner of the community solar garden may be a public utility
66.13 or any other entity or organization that contracts to sell the output from the community solar
66.14 garden to the utility under section 216B.164. There shall be no limitation on the number or
66.15 cumulative generating capacity of community solar garden facilities other than the limitations
66.16 imposed under section 216B.164, subdivision 4c, or other limitations provided in law or
66.17 regulations. The public utility must accept qualified proposals for community solar gardens
66.18 each year in a form and on a schedule specified in the program approved by the commission.
66.19 The public utility subject to this section may submit qualified proposals to the program.

66.20 (b) The public utility must submit evaluations of all qualified proposals to the
66.21 commission, along with recommendations regarding which qualified proposals should be
66.22 accepted. The commission must select the qualified proposals the public utility must accept.
66.23 The qualified proposals with the lowest cost to the public utility's customers must be selected.
66.24 The total nameplate capacity of qualified proposals selected by the commission must not
66.25 exceed 25 megawatts per year.

255.15 (b) A solar garden is a facility that generates electricity by means of a ground-mounted
255.16 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the
255.17 electricity generated in proportion to the size of their subscription. The solar garden must
255.18 have a nameplate capacity of no more than one megawatt three megawatts. Each subscription
255.19 shall be sized to represent at least 200 watts of the community solar garden's generating
255.20 capacity and to supply, when combined with other distributed generation resources serving
255.21 the premises, no more than 120 percent of the average annual consumption of electricity
255.22 by each subscriber at the premises to which the subscription is attributed.

255.23 (c) The solar generation facility must be located in the service territory of the public
255.24 utility filing the plan. Subscribers must be retail customers of the public utility. Subscribers
255.25 must be located in the same county as the solar garden or in a contiguous county contiguous
255.26 to where the facility is located, unless:

255.27 (1) the solar garden has a minimum setback of 100 feet from the nearest residential
255.28 property; and

255.29 (2) the owner or operator of the solar garden provides written certification to the
255.30 commission that at least ten percent of the solar garden's electric generating capacity is
255.31 reserved for residential subscribers.

255.32 (d) The public utility must purchase from the community solar garden all energy generated
255.33 by the solar garden. Except as provided under subdivision 7, the purchase shall be at the
255.34 most recent three-year average of the rate calculated annually under section 216B.164,
256.1 subdivision 10, or, until that rate for the public utility has been approved by the commission,
256.2 the applicable retail rate. A solar garden is eligible for any incentive programs offered under
256.3 either section 116C.7792 or section 216C.415. A subscriber's portion of the purchase shall
256.4 be provided by a credit on the subscriber's bill.

256.5 (e) Beginning January 1, 2020, any solar garden application filed with a utility must
256.6 certify that all workers constructing the solar garden will be paid at the prevailing wage
256.7 rate, as defined in section 177.42, subdivision 6.

66.26 (c) A solar garden is a facility that generates electricity by means of a ground-mounted
66.27 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the
66.28 electricity generated in proportion to the size of their subscription. The solar garden must
66.29 have a nameplate capacity of no more than one megawatt. When determining the size of a
66.30 community solar garden under this paragraph, the nameplate capacity of the community
66.31 solar garden must be combined with the nameplate capacity of any other community solar
66.32 garden that:

66.33 (1) is constructed within the same 12-month period as the community solar garden; and
67.1 (2) exhibits characteristics indicating a single development with the community solar
67.2 garden, including but not limited to ownership structure, shared interconnection, revenue
67.3 sharing arrangements, and common debt or equity financing.

67.4 Each subscription shall be sized to represent at least 200 watts of the community solar
67.5 garden's generating capacity and to supply, when combined with other distributed generation
67.6 resources serving the premises, no more than 120 percent of the average annual consumption
67.7 of electricity by each subscriber at the premises to which the subscription is attributed.

67.8 (d) The solar generation facility must be located in the service territory of the public
67.9 utility filing the plan. Subscribers must be retail customers of the public utility located in
67.10 the same county or a county contiguous to where the facility is located.

67.11 (e) The public utility must purchase from the community solar garden all energy
67.12 generated by the community solar garden. The purchase shall be at the rate calculated under
67.13 section 216B.164, subdivision 10, or, until that rate for the public utility has been approved
67.14 by the commission, the applicable retail rate. A solar garden is eligible for any incentive
67.15 programs offered under either section 116C.7792 or section 216C.415 proposed in the
67.16 qualified proposal submitted under paragraph (a). A subscriber's portion of the purchase
67.17 shall be provided by a credit on the subscriber's bill. Notwithstanding any other provision
67.18 of law, the commission must not increase the rate paid for energy from the community solar
67.19 garden from the amount contained in the proposal.

256.8 **Subd. 3. Solar garden plan; requirements; nonutility status.** ~~(e)~~ (a) The commission
256.9 may approve, disapprove, or modify a community solar garden program plan. Any plan
256.10 approved by the commission must:

256.11 (1) reasonably allow for the creation, financing, and accessibility of community solar
256.12 gardens;

256.13 (2) establish uniform standards, fees, and processes for the interconnection of community
256.14 solar garden facilities that allow the utility to recover reasonable interconnection costs for
256.15 each community solar garden;

256.16 (3) not apply different requirements to utility and nonutility community solar garden
256.17 facilities;

256.18 (4) be consistent with the public interest;

256.19 (5) identify the information that must be provided to potential subscribers to ensure fair
256.20 disclosure of future costs and benefits of subscriptions;

256.21 (6) include a program implementation schedule;

256.22 (7) identify all proposed rules, fees, and charges; and

256.23 (8) identify the means by which the program will be promoted.

67.20 ~~(e)~~ (f) The commission may approve, disapprove, or modify a community solar garden
67.21 program. Any plan approved by the commission must:

67.22 (1) reasonably allow for the creation, financing, and accessibility of community solar
67.23 gardens;

67.24 (2) establish uniform standards, fees, and processes for the interconnection of community
67.25 solar garden facilities that allow the public utility to recover reasonable interconnection
67.26 costs for each community solar garden;

67.27 (3) not apply different requirements to utility and nonutility community solar garden
67.28 facilities;

67.29 (4) be consistent with the public interest;

67.30 (5) identify the information that must be provided to potential subscribers to ensure fair
67.31 disclosure of future costs and benefits of subscriptions;

67.32 (6) include a program implementation schedule;

68.1 (7) identify all proposed rules, fees, and charges; ~~and~~

68.2 (8) identify the means by which the program will be promoted;

68.3 ~~(9) certify that the following information is contained in any promotional materials
68.4 developed by the solar garden owner or the utility purchasing the solar garden's generation
68.5 and is provided separately in writing to prospective subscribers at least 15 days prior to the
68.6 date a contract is entered into by the subscriber and the community solar garden owner:~~

68.7 ~~(i) an estimate of the annual generation of electricity by the community solar garden,
68.8 calculated using the formula developed by the commission under paragraph (l);~~

68.9 ~~(ii) an estimate of the length of time required to fully recover a subscriber's initial
68.10 lump-sum payments made to the owner of the solar garden prior to the delivery of electricity
68.11 to the subscriber by the solar garden, calculated using the formula developed by the
68.12 commission under paragraph (l); and~~

68.13 ~~(iii) a commission-approved, standardized method for calculating the effect of future
68.14 electricity prices on community solar garden subscriptions based on the average residential
68.15 customer electric bill;~~

68.16 ~~(10) require a solar garden owner to provide to prospective subscribers a completed
68.17 community solar garden subscriber disclosure checklist standard form at least 15 days prior
68.18 to the date a contract is entered into by the subscriber and the community solar garden
68.19 owner. The disclosure checklist shall include the following statement, in at least 12 point
68.20 type "utility rates and other federal, state, or local tax subsidies are subject to change. These~~

256.24 ~~(f)~~(b) Notwithstanding any other law, neither the manager of nor the subscribers to a
256.25 community solar garden facility shall be considered a utility solely as a result of their
256.26 participation in the community solar garden facility.

256.27 ~~(g)~~(c) Within 180 days of commission approval of a plan under this section, a utility
256.28 shall begin crediting subscriber accounts for each community solar garden facility in its
256.29 service territory, and shall file with the commissioner of commerce a description of its
256.30 crediting system.

68.21 changes cannot be accurately predicted. Projected savings from your solar power subscription
68.22 are, therefore, subject to change;

68.23 (11) certify that the utility and the solar garden owner must submit copies of all marketing
68.24 and promotional material and sample contracts to the commission, and that the materials
68.25 are updated periodically;

68.26 (12) certify that the solar garden owner has placed sufficient financial resources into an
68.27 escrow account in order to reimburse subscribers for any financial losses incurred if the
68.28 project fails to meet the contract provisions;

68.29 (13) provide a mechanism for subscribers to transfer subscriptions to other new or current
68.30 subscribers, or to cancel subscriptions for a full refund;

68.31 (14) require a solar garden owner and the utility purchasing electricity generated by the
68.32 solar garden to forward customer complaints regarding the operation and administration of
68.33 the solar garden to the commission;

69.1 (15) require that the contract between a subscriber and the solar garden owner contains
69.2 a warranty for a minimum level of electricity to be delivered to the subscriber from the
69.3 community garden; and

69.4 (16) reflect the commission's determination that:

69.5 (i) the plan is financially viable; and

69.6 (ii) the contract between a subscriber and the solar garden owner is fair, reasonable, and
69.7 not discriminatory.

69.8 ~~(f)~~(g) Notwithstanding any other law, neither the manager of nor the subscribers to a
69.9 community solar garden facility shall be considered a utility solely as a result of their
69.10 participation in the community solar garden facility.

69.11 ~~(g)~~(h) Within 180 days of commission approval of a plan under this section, a public
69.12 utility shall begin crediting subscriber accounts for each community solar garden facility
69.13 in its service territory, and shall file with the commissioner of commerce a description of
69.14 its crediting system.

69.15 (i) The nonprofit partnership established under section 216C.385, must develop a
69.16 community solar garden subscriber disclosure checklist standard form for use under paragraph
69.17 (f), clause (10).

69.18 (j) The commission shall require a community solar garden developer to submit a
69.19 registration form. A registration form shall include:

69.20 (1) the name, street address, mailing address, electronic mail address, and telephone
69.21 number of the registrant;

69.22 (2) the name and contact information of any registered agency or any person designated
69.23 by the registrant to receive notices and other communications from the commission;

69.24 (3) the name, address, and title of each officer or director;

69.25 (4) if the company is publicly traded, the company's most recent annual report filed with
69.26 the United States Securities and Exchange Commission;

69.27 (5) if the company is not publicly traded, the company's current balance sheet;

69.28 (6) a statement describing each jurisdiction where the registrant or its affiliate operates;
69.29 and

69.30 (7) any other information required by the commission.

70.1 The commission may reject an application that does not contain all of the information
70.2 required by this paragraph. The commission must approve or deny any application for
70.3 registration within 30 days of receiving the application. The commission may suspend or
70.4 revoke a registration and impose fees or penalties upon complaint by any interested party
70.5 or upon the commission's own motion after notice and opportunity for hearing. A community
70.6 solar garden developer registered under this paragraph must cooperate with commission
70.7 hearings and proceedings regarding customer complaints. A registered community solar
70.8 garden developer shall keep confidential customer-specific or private information relating
70.9 to the customer's electricity usage, financial situation, credit history, and other
70.10 residence-specific information obtained to implement the subscription contract.

256.31 (h) For the purposes of this section, the following terms have the meanings given:

257.1 (1) "subscriber" means a retail customer of a utility who owns one or more subscriptions
257.2 of a community solar garden facility interconnected with that utility; and

257.3 (2) "subscription" means a contract between a subscriber and the owner of a solar garden.

70.11 (h) (k) For the purposes of this section, the following terms have the meanings given:

70.12 (1) "subscriber" means a retail customer of a public utility who owns one or more
70.13 subscriptions of a community solar garden facility interconnected with that public utility;
70.14 and

70.15 (2) "subscription" means a contract between a subscriber and the owner of a solar garden;

70.16 and

70.17 (3) "qualified proposal" means a proposal that meets the requirements of the community
70.18 solar garden program approved by the commission and that:

70.19 (i) provides evidence the proposer is able to construct, own, and operate the community
70.20 solar garden for its proposed life;

70.21 (ii) delivers at least 60 percent of the energy generated by the community solar garden
70.22 facility to residential customers;

70.23 (iii) includes a plan to seek low-income residential customers in the community solar
70.24 garden;

257.4 **Subd. 4. Program administration; enforcement.** (a) The Department of Commerce
257.5 must administer the community solar garden program and is responsible for implementing
257.6 all elements of the program. The department's duties under this section include:

257.7 (1) processing community solar garden applications;
257.8 (2) establishing and accepting program fees from applicants and solar garden managers;
257.9 (3) calculating the rate paid to subscribers and submitting the rate to the commission for
257.10 approval;
257.11 (4) ensuring that community solar garden program documents and protocols are available
257.12 to subscribers;
257.13 (5) ensuring that solar garden managers provide adequate notice to subscribers of changes
257.14 in solar garden operations, including but not limited to adjustments in subscriber bill credit
257.15 rates;
257.16 (6) ensuring that a utility conducts the interconnection process in a timely fashion;
257.17 (7) ensuring that the actions of solar garden owners, operators, and subscribers comply
257.18 with this section and orders of the commission; and
257.19 (8) other administrative tasks as determined by the commissioner.

257.20 (b) The commissioner may use the authority granted under section 45.027 to enforce
257.21 any violations related to the duties and responsibilities entrusted to the commissioner under
257.22 this subdivision.

257.23 **Subd. 5. Account established.** A solar garden administrative account is established in
257.24 the special revenue fund. Fees collected under this section must be deposited in and credited
257.25 to the account. Money in the account, including interest, is appropriated to the commissioner
257.26 to administer this section.

257.27 **Subd. 6. Community access project; eligibility.** Any community solar garden established
257.28 under a plan approved by the commission may petition the commission to be designated as

70.25 (iv) provides a firm rate that customers of the public utility must pay for energy from
70.26 the community solar garden for the life of the community solar garden; and
70.27 (v) describes any benefits the community solar garden provides to the public utility, the
70.28 public utility's customers, the electric utility grid, the environment, and Minnesota.
70.29 (l) By July 30, 2019, the commission must develop a formula to be used by all solar
70.30 garden owners to estimate the annual amount of electricity generated by the solar garden.
70.31 (m) By July 30, 2019, the commission must develop a formula used by all solar garden
70.32 owners to estimate the length of time required to fully recover a subscriber's lump-sum
71.1 payments made to the solar garden owner prior to the delivery of electricity to the subscriber
71.2 by the solar garden.

257.29 a community access project. The commission must designate a solar garden as a community
257.30 access project if the solar garden meets the following conditions:

258.1 (1) at least 50 percent of the solar garden's generating capacity is subscribed by residential
258.2 customers;

258.3 (2) the contract between an owner of the solar garden and the public utility that purchases
258.4 the garden's electricity, and any agreement between the utility or owner of the solar garden
258.5 and subscribers, states (i) the owner of the solar garden does not discriminate against or
258.6 screen subscribers based on income or credit score, and (ii) any customer of a utility whose
258.7 community solar garden plan has been approved by the commission under subdivision 3 is
258.8 eligible to become a subscriber;

258.9 (3) the solar garden is operated by an entity that maintains a physical address in Minnesota
258.10 and has designated a contact person in Minnesota who responds to subscriber inquiries; and

258.11 (4) the agreement between the owner of the solar garden and subscribers states the owner
258.12 will adequately publicize and convene at least one meeting annually to provide an opportunity
258.13 for subscribers to address questions to the manager or owner.

258.14 **Subd. 7. Community access project; financial arrangements.** (a) If a solar garden is
258.15 approved by the commission as a community access project:

258.16 (1) the public utility purchasing the electricity generated by the community access project
258.17 may charge the owner of the community access project no more than one cent per watt
258.18 alternating current, based on the solar garden's generating capacity, for any refundable
258.19 deposit the utility requires of a solar garden during the application process;

258.20 (2) the public utility must purchase all energy generated by the community access project
258.21 at the retail rate;

258.22 (3) a subscriber's portion of the energy purchased from a community access project by
258.23 a public utility must be credited to the subscriber's bill; and

258.24 (4) all renewable energy credits generated by the community access project belong to
258.25 subscribers unless the operator:

258.26 (i) contracts to sell the renewable energy credits to a third party, or sell or transfer the
258.27 renewable energy credits to the utility; and

258.28 (ii) discloses the sale or transfer to a subscriber at the time the subscriber enters into a
258.29 subscription.

258.30 (b) If at any time a solar garden approved by the commission as a community access
258.31 project fails to meet the conditions under subdivision 6, the solar garden is no longer subject
259.1 to subdivisions 7 and 8 and must operate under the program rules established by the
259.2 commission for a solar garden that does not qualify as a community access project.

259.3 (c) An owner of a solar garden whose designation as a community access project is
259.4 revoked under this subdivision may reapply to the commission at any time to have its
259.5 designation as a community access project reinstated under subdivision 6.

259.6 **Subd. 8. Community access project; reporting.** (a) The owner of a community access
259.7 project must include the following information in an annual report to the subscribers of the
259.8 community access project and the utility:

259.9 (1) a description of the process by which subscribers can provide input to solar garden
259.10 policy and decision-making;

259.11 (2) the amount of revenues received by the solar garden in the previous year that were
259.12 allocated to categories that include but are not limited to operating costs, debt service, profits
259.13 distributed to subscribers, and profits distributed to others; and

259.14 (3) an analysis of the proportion of subscribers that are low- and moderate-income, and
259.15 a description of one or more of the following methods used to calculate that proportion:

259.16 (i) income verification by subscribers;

259.17 (ii) subscriber evidence that the subscriber or a member of the subscriber's household
259.18 receives assistance from any of the following sources:

259.19 (A) the low-income home energy assistance program;

259.20 (B) Section 8 housing assistance;

259.21 (C) medical assistance;

259.22 (D) the Supplemental Nutrition Assistance Program; or

259.23 (E) the National School Lunch Program;

259.24 (iii) characterization of the census tract in which the subscriber resides as low- or
259.25 moderate-income by the Federal Financial Institutions Examination Council; or

259.26 (iv) other methods approved by the commission.

259.27 **Subd. 9. Commission order.** Within 180 days of the effective date of this act, the
259.28 commission must issue an order incorporating the provisions of this act.

259.29 **EFFECTIVE DATE.** Subdivisions 4 and 5 are effective January 1, 2020. Subdivisions
259.30 1 to 3 and 6 to 9 are effective the day following final enactment.

71.3 **EFFECTIVE DATE.** This section is effective the day following final enactment and
71.4 applies to any plan submitted to the commission for approval on or after that date.

71.5 Sec. 4. Minnesota Statutes 2018, section 216B.1642, subdivision 2, is amended to read:

71.6 **Subd. 2. Recognition of beneficial habitat.** An owner of a solar site implementing solar
71.7 site management practices under this section may claim that the site provides benefits to
71.8 gamebirds, songbirds, and pollinators only if the site adheres to guidance set forth by the
71.9 pollinator plan provided by the Board of Water and Soil Resources or any other gamebird,

260.1 Sec. 7. [216B.1643] SOLAR GARDEN GRANT PROGRAM FOR LOW-INCOME
260.2 HOUSEHOLDS.

260.3 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
260.4 the meanings given them.

260.5 (b) "Eligible entity" means a community action agency, as defined in section 256E.31,
260.6 a tribal or county governmental agency, or a non-profit governmental organization that
260.7 administers low-income energy programs for the Department of Commerce.

260.8 (c) "Income-eligible residential household" means a household with an annual income
260.9 that is (1) 50 percent or less of the state median household income, or (2) 200 percent or
260.10 less of the federal poverty level.

260.11 (d) "Solar garden" has the meaning given in section 216B.1641.

260.12 Subd. 2. **Establishment; purpose.** A solar garden grant program for income-eligible
260.13 residential households is established in the Department of Commerce to award grants that
260.14 promote the development of solar gardens for income-eligible residential households. Funds
260.15 in the account are reserved for the purpose of this section and do not lapse.

260.16 Subd. 3. **Eligibility.** (a) A solar garden owner is eligible to receive a grant under this
260.17 section if:

260.18 (1) the new solar garden capacity is 500 kilowatts or less;

260.19 (2) all of the solar garden subscribers are income-eligible residential households, as
260.20 defined through a yearly application provided by the Department of Commerce; and

260.21 (3) the solar garden is operated by an eligible entity or by a third party performing the
260.22 duties under a contract with an eligible entity.

260.23 (b) An eligible entity is responsible for managing the solar garden and must annually
260.24 certify to the commissioner that the solar garden complies with paragraph (a).

71.10 songbird, or pollinator foraging-friendly vegetation standard established by the Board of
71.11 Water and Soil Resources. An owner making a beneficial habitat claim must:
71.12 (1) make the site's vegetation management plan available to the public and;
71.13 (2) provide a copy of the plan to a Minnesota nonprofit solar industry trade association;
71.14 and
71.15 (3) report on its site management practices to the Board of Water and Soil Resources,
71.16 on a standard reporting form developed by the board for solar site management practices,
71.17 by June 1, 2020, and every third year thereafter. An owner that enters into operation after
71.18 June 1, 2020, shall report to the board on its site management practices on or before June
71.19 1 of the year following commencement of operations and every third year thereafter.

260.25 Subd. 4. Application process; content. (a) An eligible applicant must submit an
260.26 application to the commissioner on a form designated by the commissioner. The
260.27 commissioner must develop administrative procedures that govern the application, grant
260.28 award process, and ongoing solar garden management requirements.

260.29 (b) An application for a grant under this section must include:

260.30 (1) evidence that the solar garden meets the eligibility requirements under subdivision
260.31 3; and

261.1 (2) any other information requested by the commissioner.

261.2 Subd. 5. Account established. A low-income community solar account is established
261.3 as a separate account in the special revenue fund. Money transferred from the renewable
261.4 development account to the commissioner must be deposited in the account. Money from
261.5 the account is appropriated to the commissioner for the purposes of this section.

261.6 Subd. 6. Limitations. A grant awarded under this section must not exceed 60 percent
261.7 of the total cost to develop the community solar garden.

261.8 Subd. 7. Eligible expenditures. Money from the account established in subdivision 5
261.9 may be expended to: (1) finance, purchase, and install facilities necessary to operate a solar
261.10 garden; and (2) pay reasonable expenses incurred by the department to administer the
261.11 program and certify applicant eligibility on an ongoing basis.

261.12 Sec. 8. Minnesota Statutes 2018, section 216B.1645, subdivision 1, is amended to read:

261.13 Subdivision 1. **Commission authority.** Upon the petition of a public utility, the Public
261.14 Utilities Commission shall approve or disapprove power purchase contracts, investments,
261.15 or expenditures entered into or made by the utility to satisfy the wind and biomass mandates
261.16 contained in sections 216B.169, 216B.2423, and 216B.2424, and to satisfy the renewable
261.17 energy objectives and standards set forth in section 216B.1691, including reasonable
261.18 investments and expenditures, net of revenues, made to:

261.19 (1) transmit the electricity generated from sources developed under those sections that
261.20 is ultimately used to provide service to the utility's retail customers, including studies
261.21 necessary to identify new transmission facilities needed to transmit electricity to Minnesota
261.22 retail customers from generating facilities constructed to satisfy the renewable energy
261.23 objectives and standards, provided that the costs of the studies have not been recovered
261.24 previously under existing tariffs and the utility has filed an application for a certificate of
261.25 need or for certification as a priority project under section 216B.2425 for the new
261.26 transmission facilities identified in the studies;

261.27 (2) provide storage facilities for renewable energy generation facilities that contribute
261.28 to the reliability, efficiency, or cost-effectiveness of the renewable facilities; or

261.29 (3) develop renewable energy sources from the account required in section 116C.779.

261.30 Sec. 9. Minnesota Statutes 2018, section 216B.1645, subdivision 2, is amended to read:

261.31 Subd. 2. **Cost recovery.** The expenses incurred by the utility over the duration of the
261.32 approved contract or useful life of the investment ~~and~~² expenditures made pursuant to section
262.1 116C.779 ~~shall be~~, and employment of local workers to construct and maintain generation
262.2 facilities that supply power to the utility's customers are recoverable from the ratepayers of
262.3 the utility, to the extent they are not offset by utility revenues attributable to the contracts,
262.4 investments, or expenditures. Upon petition by a public utility, the commission shall approve
262.5 or approve as modified a rate schedule providing for the automatic adjustment of charges
262.6 to recover the expenses or costs approved by the commission under subdivision 1, which,
262.7 in the case of transmission expenditures, are limited to the portion of actual transmission
262.8 costs that are directly allocable to the need to transmit power from the renewable sources
262.9 of energy. The commission may not approve recovery of the costs for that portion of the
262.10 power generated from sources governed by this section that the utility sells into the wholesale
262.11 market.

262.12 Sec. 10. Minnesota Statutes 2018, section 216B.1691, subdivision 1, is amended to read:

262.13 Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy
262.14 technology" means an energy technology that generates electricity from the following
262.15 renewable energy sources:
262.16 (1) solar;
262.17 (2) wind;
262.18 (3) hydroelectric with a capacity of less than 100 megawatts;
262.19 (4) hydrogen, provided that after January 1, 2010, the hydrogen must be generated from
262.20 the resources listed in this paragraph; or

262.21 (5) biomass, which includes, without limitation, landfill gas; an anaerobic digester
262.22 system; the predominantly organic components of wastewater effluent, sludge, or related
262.23 by-products from publicly owned treatment works, but not including incineration of
262.24 wastewater sludge to produce electricity; and an energy recovery facility used to capture
262.25 the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal
262.26 solid waste as a primary fuel.

262.27 (b) "Electric utility" means a public utility providing electric service, a generation and
262.28 transmission cooperative electric association, a municipal power agency, or a power district.

262.29 (c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by
262.30 an electric utility to retail customers of the electric utility or to a distribution utility for
262.31 distribution to the retail customers of the distribution utility. "Total retail electric sales"
262.32 does not include the sale of hydroelectricity supplied by a federal power marketing
262.33 administration or other federal agency, regardless of whether the sales are directly to a
263.1 distribution utility or are made to a generation and transmission utility and pooled for further
263.2 allocation to a distribution utility.

71.20 Sec. 5. Minnesota Statutes 2018, section 216B.1691, subdivision 1, is amended to read:

71.21 Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy
71.22 technology" means an energy technology that generates electricity from the following
71.23 renewable energy sources:
71.24 (1) solar;
71.25 (2) wind;
71.26 (3) hydroelectric ~~with a capacity of less than 100 megawatts~~;
71.27 (4) hydrogen, provided that after January 1, 2010, the hydrogen must be generated from
71.28 the resources listed in this paragraph; or

71.29 (5) biomass, which includes, without limitation, landfill gas; an anaerobic digester
71.30 system; the predominantly organic components of wastewater effluent, sludge, or related
71.31 by-products from publicly owned treatment works, but not including incineration of
72.1 wastewater sludge to produce electricity; and an energy recovery facility used to capture
72.2 the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal
72.3 solid waste as a primary fuel.

72.4 (b) "Electric utility" means a public utility providing electric service, a generation and
72.5 transmission cooperative electric association, a municipal power agency, or a power district.

72.6 (c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by
72.7 an electric utility to retail customers of the electric utility or to a distribution utility for
72.8 distribution to the retail customers of the distribution utility. "Total retail electric sales"
72.9 does not include the sale of hydroelectricity supplied by a federal power marketing
72.10 administration or other federal agency, regardless of whether the sales are directly to a
72.11 distribution utility or are made to a generation and transmission utility and pooled for further
72.12 allocation to a distribution utility.

263.3 (d) "Carbon-free" means a technology that generates electricity without emitting carbon
263.4 dioxide.

263.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

263.6 Sec. 11. Minnesota Statutes 2018, section 216B.1691, subdivision 2b, is amended to read:

263.7 Subd. 2b. **Modification or delay of standard.** (a) The commission shall modify or delay
263.8 the implementation of a standard obligation, in whole or in part, if the commission determines
263.9 it is in the public interest to do so. The commission, when requested to modify or delay
263.10 implementation of a standard, must consider:

263.11 (1) the impact of implementing the standard on its customers' utility costs, including the
263.12 economic and competitive pressure on the utility's customers;

263.13 (2) the environmental costs incurred as a result of a delay or modification, based on the
263.14 environmental cost values established in section 216B.2422, subdivision 3;

263.15 (3) the effects of implementing the standard on the reliability of the electric system;

263.16 ~~(3)~~(4) technical advances or technical concerns;

263.17 ~~(4)~~(5) delays in acquiring sites or routes due to rejection or delays of necessary siting
263.18 or other permitting approvals;

263.19 ~~(5)~~(6) delays, cancellations, or nondelivery of necessary equipment for construction or
263.20 commercial operation of an eligible energy technology facility;

263.21 ~~(6)~~(7) transmission constraints preventing delivery of service; and

263.22 ~~(7)~~(8) other statutory obligations imposed on the commission or a utility.

263.23 (b) The commission may modify or delay implementation of a standard obligation under
263.24 paragraph (a), clauses (1) to ~~(3)~~(4), only if it finds implementation would cause significant
263.25 rate impact, requires significant measures to address reliability, would not cause significant
263.26 environmental costs, or raises significant technical issues. The commission may modify or
263.27 delay implementation of a standard obligation under paragraph (a), clauses ~~(4)~~(5) to ~~(6)~~
263.28 ~~(7)~~, only if it finds that the circumstances described in those clauses were due to
263.29 circumstances beyond an electric utility's control and make compliance not feasible.

263.30 (c) When evaluating transmission capacity constraints under paragraph (a), clause (7),
263.31 the commission must consider:

264.1 (1) whether the utility has, in a timely fashion, undertaken reasonable measures under
264.2 its control and consistent with its obligations under local, state, and federal laws and
264.3 regulations, and its obligations as a member of the Midcontinent Independent System
264.4 Operator, to acquire sites, necessary permit approvals, and necessary equipment to develop

264.5 and construct new transmission lines or upgrade existing transmission lines to transmit
264.6 electricity generated by eligible energy technologies; and

264.7 (2) whether the utility has taken all reasonable operational measures to maximize
264.8 cost-effective electricity delivery from eligible energy technologies in advance of
264.9 transmission availability.

264.10 (d) When considering whether to delay or modify implementation of a standard
264.11 obligation, the commission must give due consideration to a preference for electric generation
264.12 through use of eligible energy technology and to the achievement of the standards set by
264.13 this section.

264.14 (e) An electric utility requesting a modification or delay in the implementation of a
264.15 standard must file a plan to comply with its standard obligation in the same proceeding that
264.16 it is requesting the delay.

264.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

264.18 Sec. 12. Minnesota Statutes 2018, section 216B.1691, is amended by adding a subdivision
264.19 to read:

264.20 Subd. 2g. **Carbon-free standard.** Each electric utility subject to subdivision 2a shall
264.21 generate or procure sufficient electricity generated by carbon-free technologies to provide
264.22 its retail customers in Minnesota, or the retail customers of a distribution utility to which
264.23 the electric utility provides wholesale electric service, so that 100 percent of the electric
264.24 utility's total retail electric sales to retail customers in Minnesota is generated by carbon-free
264.25 technologies by the end of 2050.

264.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

264.27 Sec. 13. Minnesota Statutes 2018, section 216B.1691, subdivision 9, is amended to read:

264.28 Subd. 9. **Local benefits.** (a) The commission shall take all reasonable actions within its
264.29 statutory authority to ensure this section is implemented to maximize in a manner that
264.30 maximizes benefits to all Minnesota citizens, balancing and local workers throughout the
264.31 state. Benefits under this subdivision include but are not limited to:

264.32 (1) the creation of high-quality jobs in Minnesota that pay wages that support families;
265.1 (2) recognition of the rights of workers to organize and unionize;
265.2 (3) ensuring workers have the necessary tools, opportunities, and economic assistance
265.3 to adapt successfully during the energy transition, particularly in communities that host
265.4 retiring power plants or that contain historically marginalized and underrepresented
265.5 populations;
265.6 (4) ensuring all Minnesotans share (i) the benefits of clean and renewable energy, and
265.7 (ii) the opportunity to participate fully in the clean energy economy;

265.8 (5) ensuring air emissions are reduced in communities historically burdened by pollution
265.9 and the impacts of climate change; and

265.10 (6) the provision of affordable electric service to Minnesotans, and particularly to
265.11 low-income consumers.

265.12 (b) The commission must also implement this section in a manner that balances factors
265.13 such as local ownership of or participation in energy production, local job impacts,
265.14 development and ownership of eligible energy technology facilities by independent power
265.15 producers, Minnesota utility ownership of eligible energy technology facilities, the costs
265.16 of energy generation to satisfy the renewable standard and carbon-free standards, and the
265.17 reliability of electric service to Minnesotans.

265.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

265.19 Sec. 14. [216B.1697] ENERGY STORAGE SYSTEM; APPLICATION.

265.20 Subdivision 1. **Definition.** For the purposes of this section, "energy storage system"
265.21 means a commercially available technology that uses mechanical, chemical, or thermal
265.22 processes to:

265.23 (1) store energy and deliver the stored energy for use at a later time; or
265.24 (2) store thermal energy for direct use for heating or cooling at a later time in a manner
265.25 that reduces the demand for electricity at the later time.

265.26 Subd. 2. **Application requirement.** No later than January 1, 2021, each public utility
265.27 providing retail electric service in Minnesota must submit to the commission for review
265.28 and approval an application to install one or more energy storage systems.

265.29 Subd. 3. **Application contents.** (a) Each application submitted under this section must
265.30 contain the following information:

265.31 (1) technical specifications of the energy storage system, including but not limited to:
266.1 (i) the maximum amount of electric output that the energy storage system can provide;
266.2 (ii) the length of time the energy storage system can sustain its maximum output;
266.3 (iii) the location of the project and a description of the analysis conducted to determine
266.4 the location;
266.5 (iv) the needs of the public utility's electric system the proposed energy storage system
266.6 addresses;
266.7 (v) a description of the types of services the energy storage system is expected to provide;
266.8 and

266.9 (vi) a description of the technology required to construct, operate, and maintain the
266.10 energy storage system, including any data or communication system necessary to operate
266.11 the energy storage system;

266.12 (2) the estimated cost of the project, including:

266.13 (i) capital costs;

266.14 (ii) the estimated cost per unit of energy delivered by the energy storage system; and

266.15 (iii) an evaluation of the energy storage system's cost-effectiveness;

266.16 (3) the estimated benefits of the energy storage system to the public utility's electric
266.17 system, including but not limited to:

266.18 (i) deferred investments in generation, transmission, or distribution capacity;

266.19 (ii) reduced need for electricity during times of peak demand;

266.20 (iii) improved reliability of the public utility's transmission or distribution system; and

266.21 (iv) improved integration of the public utility's renewable energy resources;

266.22 (4) how the addition of an energy storage system complements proposed actions of the
266.23 public utility described in its most recent integrated resource plan submitted under section
266.24 216B.2422, to meet expected demand with the lowest-cost combination of resources; and

266.25 (5) any additional information required by the commission.

266.26 (b) A public utility must include in its application an evaluation of the potential to store
266.27 energy in the public utility's electric system, and must identify geographic areas in the public
266.28 utility's service area where the deployment of energy storage systems has the greatest
266.29 potential to achieve the economic benefits identified in paragraph (a), clause (3).

267.1 Subd. 4. **Commission review.** The commission must review each proposal submitted
267.2 under this section, and may approve, reject, or modify the proposal. The commission must
267.3 approve a proposal it determines is in the public interest and reasonably balances the value
267.4 derived from the deployment of an energy storage system for ratepayers and the public
267.5 utility's operations with the costs of procuring, constructing, operating, and maintaining the
267.6 energy storage system.

267.7 Subd. 5. **Cost recovery.** A public utility may recover from ratepayers all costs prudently
267.8 incurred by the public utility to deploy an energy storage system approved by the commission
267.9 under this section, net of any revenues generated by the operation of the energy storage
267.10 system.

267.11 Subd. 6. **Commission authority; orders.** The commission may issue orders necessary
267.12 to implement and administer this section.

267.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

267.14 Sec. 15. [216B.1698] INNOVATIVE CLEAN TECHNOLOGIES.

267.15 (a) For purposes of this section, "innovative clean technology" means advanced energy

267.16 technology that is:

267.17 (1) environmentally superior to technologies currently in use;

267.18 (2) expected to offer energy-related, environmental, or economic benefits; and

267.19 (3) not widely deployed by the utility industry.

267.20 (b) A public utility may petition the commission for authorization to invest in a project

267.21 or projects to deploy one or more innovative clean technologies to further the development,

267.22 commercialization, and deployment of innovative clean technologies for the benefit of utility

267.23 customers.

267.24 (c) The commission may approve a petition under paragraph (b) if it finds:

267.25 (1) the technologies proposed to be deployed are innovative clean technologies;

267.26 (2) the utility is meeting its energy conservation goals under section 216B.241; and

267.27 (3) the petition does not result in a utility spending more than \$5,000,000 per year on

267.28 innovative clean technologies under this section.

267.29 (d) The commission may also permit a public utility to file rate schedules containing

267.30 provisions to automatically adjust charges for public utility service in direct relation to

267.31 changes in prudent costs incurred by a utility under this section, up to \$5,000,000 each year.

268.1 To the extent the utility investment under this section is for a capital asset, the utility may

268.2 request that the asset be included in the utility's rate base.

268.3 Sec. 16. Minnesota Statutes 2018, section 216B.2401, is amended to read:

268.4 216B.2401 ENERGY SAVINGS AND OPTIMIZATION POLICY GOAL.

268.5 (a) The legislature finds that energy savings are an energy resource, and that cost-effective

268.6 energy savings are preferred over all other energy resources. In addition, the legislature

268.7 finds that optimizing when and how energy consumers manage energy use can provide

268.8 significant benefits to the consumers and to the utility system as a whole. The legislature

268.9 further finds that cost-effective energy savings and load management programs should be

268.10 procured systematically and aggressively in order to reduce utility costs for businesses and

268.11 residents, improve the competitiveness and profitability of businesses, create more

268.12 energy-related jobs, reduce the economic burden of fuel imports, and reduce pollution and

268.13 emissions that cause climate change. Therefore, it is the energy policy of the state of

268.14 Minnesota to achieve annual energy savings equal equivalent to at least +~~-~~ 2.5 percent of

268.15 annual retail energy sales of electricity and natural gas through cost effective energy

268.16 conservation improvement programs and rate design, energy efficiency achieved by energy

268.17 consumers without direct utility involvement, energy codes and appliance standards, programs

268.18 ~~designed to transform the market or change consumer behavior, energy savings resulting from efficiency improvements to the utility infrastructure and system, and other efforts to promote energy efficiency and energy conservation; multiple means, including but not limited to:~~

268.22 (1) cost-effective energy conservation improvement programs and efficient fuel-switching utility programs under sections 216B.2402 to 216B.241;

268.24 (2) rate design;

268.25 (3) energy efficiency achieved by energy consumers without direct utility involvement;

268.26 (4) advancements in statewide energy codes and cost-effective appliance and equipment standards;

268.28 (5) programs designed to transform the market or change consumer behavior;

268.29 (6) energy savings resulting from efficiency improvements to the utility infrastructure and system; and

268.31 (7) other efforts to promote energy efficiency and energy conservation.

269.1 (b) A utility is encouraged to design and offer to its customers load management programs that enable (1) customers to maximize the economic value gained from the energy purchased from the customer's utility service provider, and (2) utilities to optimize the infrastructure and generation capacity needed to effectively serve customers and facilitate the integration of renewable energy into the energy system. The commissioner must provide a reasonable estimate for progress toward this statewide energy-savings goal in the annual report required under section 216B.241, subdivision 1c, along with recommendations for administrative or legislative initiatives to increase energy savings toward that goal. The commissioner must also annually report on the energy productivity of the state's economy by providing an estimate of the ratio of economic output produced in the most recently completed calendar year to the primary energy inputs used in that year.

269.12 Sec. 17. [216B.2402] DEFINITIONS.

269.13 (a) For the purposes of section 216B.16, subdivision 6b, and sections 216B.2401 to 216B.241, the terms defined in this section have the meanings given them.

269.15 (b) "Consumer-owned utility" means a municipal utility or a cooperative electric association.

269.17 (c) "Cumulative lifetime savings" means the total electric energy or natural gas savings in a given year from energy conservation improvements installed in the given year or in previous years that are still operational have not reached the end of the improvement's useful life.

80.20 Section 1. [216B.2402] CONSERVATION IMPROVEMENT PROGRAMS FOR
80.21 CONSUMER-OWNED UTILITIES.

80.22 Subdivision 1. **Definitions.** For the purpose of this section, the terms defined in this subdivision have the meanings given to them:

80.24 (a) "Consumer-owned utility" means a municipal gas utility, a municipal electric utility, or a cooperative electric association.

80.26 (b) "Cumulative lifetime savings" means the total electric energy or natural gas savings in a given year from energy conservation improvements installed that year or in previous years that are still operational and providing savings in that year because the measures have not reached the end of their useful lives.

269.21 (d) "Efficient fuel-switching improvement" means a project that: replaces a fuel used
 269.22 by a customer with electricity or natural gas delivered at retail by a utility subject to this
 269.23 section, resulting in a net increase in the use of electricity or natural gas and a net decrease
 269.24 in source energy consumption on a fuel-neutral basis; and otherwise meets the criteria
 269.25 established in section 216B.2403, subdivision 8. An efficient fuel-switching improvement
 269.26 requires the installation of equipment that utilizes electricity or natural gas, resulting in a
 269.27 reduction or elimination of use of the previous fuel. An efficient fuel-switching improvement
 269.28 is not an energy conservation improvement even if it results in a net reduction in electricity
 269.29 or natural gas.

269.30 (e) "Energy conservation" means an action that results in a net reduction in electricity
 269.31 or natural gas consumption. Energy conservation does not include an efficient fuel-switching
 269.32 improvement.

270.1 (f) "Energy conservation improvement" means a project that results in energy efficiency
 270.2 or energy conservation. Energy conservation improvement may include waste heat that is
 270.3 recovered and converted into electricity, but does not include electric utility infrastructure
 270.4 projects approved by the commission under section 216B.1636. Energy conservation
 270.5 improvement includes waste heat recovered and used as thermal energy.

270.6 (g) "Energy efficiency" means measures or programs, including energy conservation
 270.7 measures or programs, that target consumer behavior, equipment, processes, or devices and
 270.8 are designed to produce either an absolute decrease in consumption of electricity or natural
 270.9 gas or a decrease in consumption of electric energy or natural gas on a per unit of production
 270.10 basis, without reducing the quality or level of service provided to the energy consumer.

270.11 (h) "Fuel" means energy consumed by a retail utility customer. Fuel includes electricity,
 270.12 propane, natural gas, heating oil, gasoline, diesel fuel, or steam.

270.13 (i) "Fuel neutral" means an approach that compares the use of various fuels for a given
 270.14 end use, using a common metric.

80.30 (c) "Efficient electrification or conversion improvement" means a project that (1) results
 80.31 in converting a customer from use of a fuel to the use of electric energy or natural gas sold
 81.1 at retail by a utility subject to this section, resulting in a net increase of the use of electric
 81.2 energy or natural gas and a net decrease in energy consumption overall on a fuel-neutral
 81.3 basis, and (2) otherwise meets the criteria established in subdivision 8. An efficient
 81.4 electrification improvement requires the installation of equipment that utilizes electric energy
 81.5 or natural gas, resulting in a reduction or elimination of use of the previous fuel.

81.6 (d) "Electric utility infrastructure projects" means projects owned by a consumer-owned
 81.7 utility that replace or modify existing electric utility infrastructure, including utility-owned
 81.8 buildings, if the replacement or modification conserves energy or uses energy more
 81.9 efficiently.

81.10 (e) "Energy conservation" means an action that results in a net reduction in electric
 81.11 energy or natural gas consumption.

81.12 (f) "Energy conservation improvement" means a project that results in energy efficiency
 81.13 or energy conservation. Energy conservation improvement may include waste heat that is
 81.14 recovered and converted into electricity, but does not include electric utility infrastructure
 81.15 projects approved by the commission under section 216B.1636. Energy conservation
 81.16 improvement includes waste heat recovered and used as thermal energy.

81.17 (g) "Energy efficiency" means measures or programs, including energy conservation
 81.18 measures or programs, that target consumer behavior, equipment, processes, or devices
 81.19 designed to produce either an absolute decrease in consumption of electric energy or natural
 81.20 gas or a decrease in consumption of electric energy or natural gas on a per unit of production
 81.21 basis, without a reduction in the quality level of service provided to the energy consumer.

81.22 (h) "Fuel" means energy consumed by a retail utility customer. Fuel includes electricity,
 81.23 propane, natural gas, heating oil, gasoline, or diesel fuel.

81.24 (i) "Fuel neutral" means an approach that compares the use of various fuels for a given
 81.25 end use, using a common metric.

270.15 (j) "Gross annual retail energy sales" means the annual electric sales to all retail customers
 270.16 in a utility's or association's Minnesota service territory or natural gas throughput to all retail
 270.17 customers, including natural gas transportation customers, on a utility's distribution system
 270.18 in Minnesota. Gross annual retail energy sales does not include:

270.19 (1) gas sales to:

270.20 (i) a large energy facility;

270.21 (ii) a large customer facility whose natural gas utility has been exempted by the
 270.22 commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect to natural
 270.23 gas sales made to the large customer facility; and

270.24 (iii) a commercial gas customer facility whose natural gas utility has been exempted by
 270.25 the commissioner under section 216B.241, subdivision 1a, paragraph (b), with respect to
 270.26 natural gas sales made to the commercial gas customer facility; or

270.27 (2) electric sales to a large customer facility whose electric utility has been exempted
 270.28 by the commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect
 270.29 to electric sales made to the large facility.

270.30 (k) "Investments and expenses of a public utility" means the investments and expenses
 270.31 incurred by a public utility in connection with an energy conservation improvement.

271.1 (l) "Large customer facility" means all buildings, structures, equipment, and installations
 271.2 at a single site that collectively (1) impose a peak electrical demand on an electric utility's
 271.3 system of at least 20,000 kilowatts, measured in the same way as the utility that serves the
 271.4 customer facility measures electric demand for billing purposes, or (2) consume at least
 271.5 500,000,000 cubic feet of natural gas annually. When calculating peak electrical demand,
 271.6 a large customer facility may include demand offset by on-site cogeneration facilities and,
 271.7 if engaged in mineral extraction, may aggregate peak energy demand from the large customer
 271.8 facility's mining processing operations.

271.9 (m) "Large energy facility" has the meaning given in section 216B.2421, subdivision 2,
 271.10 clause (1).

271.11 (n) "Lifetime energy savings" means the amount of savings a particular energy
 271.12 conservation improvement produces over the improvement's effective useful lifetime.

271.13 (o) "Load management" means an activity, service, or technology to change the timing
 271.14 or the efficiency of a customer's use of energy that allows a utility or a customer to (1)
 271.15 respond to local and regional energy system conditions, or (2) reduce peak demand for
 271.16 electricity or natural gas. Load management that reduces the customer's net annual energy
 271.17 consumption is also energy conservation.

81.26 (j) "Gross annual retail energy sales" means the total annual sale of electric to all retail
 81.27 customers in a utility's or association's Minnesota service territory or, natural gas throughput
 81.28 to all retail customers, including natural gas transportation customers, on a utility's
 81.29 distribution system in Minnesota. Gross annual retail energy sales does not include:

81.30 (1) gas sales to:

81.31 (i) a large energy facility;

82.1 (ii) a large customer facility whose natural gas utility has been exempted by the
 82.2 commissioner under subdivision 13, with respect to natural gas sales made to the large
 82.3 customer facility; and

82.4 (iii) a commercial gas customer facility whose natural gas utility has been exempted by
 82.5 the commissioner under subdivision 13, with respect to natural gas sales made to the
 82.6 commercial gas customer facility;

82.7 (2) electric sales to a large customer facility whose electric utility has been exempted
 82.8 by the commissioner under subdivision 13, with respect to electric sales made to the large
 82.9 facility; and

82.10 (3) increased electric or natural gas sales from efficient electrification or conversion
 82.11 caused by a utility program.

82.12 (k) "Large customer facility" means all buildings, structures, equipment, and installations
 82.13 at a single site that collectively (1) impose a peak electrical demand on an electric utility's
 82.14 system of at least 20,000 kilowatts, measured in the same way as the utility that serves the
 82.15 customer facility measures electric demand for billing purposes, or (2) consume at least
 82.16 500,000,000 cubic feet of natural gas annually. When calculating peak electrical demand,
 82.17 a large customer facility may include demand offset by on-site cogeneration facilities and,
 82.18 if engaged in mineral extraction, may aggregate peak energy demand from the large customer
 82.19 facility's mining processing operations.

82.20 (l) "Large energy facility" has the meaning given it in section 216B.2421, subdivision
 82.21 2, clause (1).

82.22 (m) "Load management" means an activity, service, or technology to change the timing
 82.23 or the efficiency of a customer's use of energy that allows a utility or a customer to respond
 82.24 to local and regional energy system conditions, or to reduce peak demand for electric energy
 82.25 or natural gas. Load management that reduces overall energy use is also energy conservation.

271.18 (p) "Low-income household" means a household whose household income is 60 percent
 271.19 or less of the state median household income.

271.20 (q) "Low-income programs" means energy conservation improvement programs that
 271.21 directly serve the needs of low-income persons, including low-income renters. Multifamily
 271.22 buildings of five units or more that are rented by low-income persons are eligible to be
 271.23 served through low-income programs, which may include upgrading appliances, upgrading
 271.24 heating and air conditioning equipment, and building envelope improvements.

271.25 (r) "Member" has the meaning given in section 308B.005, subdivision 15.

271.26 (s) "Qualifying utility" means a utility that supplies a customer with energy that enables
 271.27 the customer to qualify as a large customer facility.

271.28 (t) "Source energy" means the total amount of fuel required for a given purpose,
 271.29 considering energy losses in the production, transmission, and delivery of the energy.

271.30 (u) "Waste heat recovered and used as thermal energy" means capturing heat energy
 271.31 that would be exhausted or dissipated to the environment from machinery, buildings, or
 271.32 industrial processes, and productively using the recovered thermal energy where it was
 272.1 captured or distributing it as thermal energy to other locations where it is used to reduce
 272.2 demand-side consumption of natural gas, electric energy, or both.

272.3 (v) "Waste heat recovery converted into electricity" means an energy recovery process
 272.4 that converts otherwise lost energy from the heat of exhaust stacks or pipes used for engines
 272.5 or manufacturing or industrial processes, or the reduction of high pressure in water or gas
 272.6 pipelines.

272.7 Sec. 18. [216B.2403] CUSTOMER-OWNED UTILITIES; ENERGY
 272.8 CONSERVATION AND OPTIMIZATION.

272.9 Subdivision 1. **Applicability.** This section applies to:

272.10 (1) a cooperative electric association that provides retail service to more than 5,000
 272.11 members;

272.12 (2) a municipality that provides electric service to more than 1,000 retail customers; and
 272.13 (3) a municipality with more than 1,000,000,000 cubic feet in annual throughput sales
 272.14 to natural gas retail customers.

272.15 Subd. 2. **Consumer-owned utility; energy-savings goal.** (a) Each individual
 272.16 consumer-owned utility subject to this section has an annual energy-savings goal equivalent
 272.17 to 1.5 percent of gross annual retail energy sales. The annual energy-savings goal must be
 272.18 met with a minimum of energy savings from energy conservation improvements equivalent
 272.19 to at least one percent of the consumer-owned utility's gross annual retail energy sales. The

82.26 (n) "Low-income programs" means energy conservation improvement programs that
 82.27 directly serve the needs of low-income persons, including low-income renters and entities
 82.28 that serve low-income customers."Low-income" is defined as 60 percent of state median
 82.29 income, notwithstanding the criteria established in subdivision 5, paragraph (e). Multifamily
 82.30 buildings of five units or more that are rented by low-income persons are eligible to be
 82.31 served through low-income programs, which may include the upgrading of appliances,
 82.32 heating and air conditioning equipment, and building envelope improvements.

82.33 (o) "Member" has the meaning given to it in section 308B.005, subdivision 15.

83.1 (p) "Qualifying utility" means a utility that supplies energy to a customer that enables
 83.2 the customer to qualify as a large customer facility.

83.3 (q) "Source energy" means the total amount of fuel required for a given purpose,
 83.4 considering energy losses in the production, transmission, and delivery of that energy.

83.5 (r) "Waste heat recovered and used as thermal energy" means capturing heat energy that
 83.6 would be exhausted or dissipated to the environment from machinery, buildings, or industrial
 83.7 processes, and productively using the recovered thermal energy where it is used to reduce
 83.8 demand-side consumption of natural gas, electric energy, or both.

83.9 (s) "Waste heat recovery converted into electricity" means an energy recovery process
 83.10 that converts otherwise lost energy from the heat of exhaust stacks or pipes used for engines
 83.11 or manufacturing or industrial processes, or the reduction of high pressure in water or gas
 83.12 pipelines.

83.13 **Subd. 2. Applicability.** This section applies to:

83.14 (1) a cooperative electric association that provides retail service to more than 5,000
 83.15 members;

83.16 (2) a municipality that provides electric service to more than 1,000 retail customers; and
 83.17 (3) a municipality with more than 1,000,000,000 cubic feet in annual throughput sales
 83.18 to natural gas retail customers.

83.19 Subd. 3. **Savings goal.** (a) Each individual consumer-owned utility subject to this section
 83.20 has an annual energy savings goal equivalent to 1.5 percent of gross annual retail energy
 83.21 sales.

83.22 (b) A consumer-owned utility's savings goal is satisfied when the consumer-owned
 83.23 utility achieves a savings equivalent of at least three-quarters of one percent of the

272.20 balance of energy savings toward the annual energy-savings goal must be achieved by the
 272.21 following utility activities:

- 272.22 (1) energy savings from additional energy conservation improvements;
- 272.23 (2) electric utility infrastructure projects, as defined in section 216B.1636, subdivision
 272.24 1; or
- 272.25 (3) net energy savings from efficient fuel-switching improvements that meet the criteria
 272.26 under subdivision 8.

272.27 (b) Nothing in this section limits a utility's ability to report and recognize savings from
 272.28 activities under paragraph (a), clauses (2) and (3), in excess of the utility's annual energy
 272.29 savings, provided the utility has met the minimum energy-savings goal from energy
 272.30 conservation improvements.

272.31 (c) The energy-savings goals specified in this section must be calculated based on the
 272.32 most recent three-year, weather-normalized average. A consumer-owned utility that elects
 273.1 to file annual plans may carry forward for up to three years any energy savings in excess
 273.2 of its 1.5 percent energy-savings goal in a single year.

273.3 (d) A consumer-owned utility subject to this section is not required to make energy
 273.4 conservation improvements that are not cost-effective, even if the improvement is necessary
 273.5 to attain the energy-savings goal. A consumer-owned utility subject to this section must
 273.6 make reasonable efforts to implement energy conservation improvements above the minimum
 273.7 level set under this subdivision if cost-effective opportunities and utility funding are available,
 273.8 considering other potential investments the utility plans to make for the benefit of customers
 273.9 during the term of the plan filed under subdivision 4.

273.10 (e) A consumer-owned utility may request that the commissioner adjust its minimum
 273.11 goal for energy savings from energy conservation improvements specified under paragraph
 273.12 (a) for the period of the plan filed under subdivision 4. The request must be made by January
 273.13 1 of a year when the utility must file a plan under subdivision 4. The request must be based
 273.14 on:

- 273.15 (1) historical energy conservation improvement program achievements;
- 273.16 (2) customer class makeup;
- 273.17 (3) projected load growth;
- 273.18 (4) an energy conservation potential study that estimates the amount of cost-effective
 273.19 energy conservation potential that exists in the utility's service territory;

83.24 consumer-owned utility's gross annual retail energy sales from energy conservation
 83.25 improvements, and up to three-quarters of one percent from the following utility activities:

- 83.26 (1) energy savings from additional energy conservation improvements;
- 83.27 (2) electric utility infrastructure projects;
- 83.28 (3) net energy savings from efficient electrification and conversion improvements that
 83.29 meet the criteria under subdivision 8; or

83.30 (4) CIP solar rebates that meet the criteria provided under subdivision 9.
 84.7 (d) Nothing in this subdivision limits a utility's ability to report and recognize savings
 84.8 in excess of three-quarters of one percent of the utility's gross annual retail energy sales
 84.9 generated under paragraph (b), clauses (1), (2), and (3), provided the utility has satisfied
 84.10 the three-quarters of one percent savings required under paragraph (b).

84.1 (c) The energy savings goals specified must be calculated based on the most recent
 84.2 three-year, weather-normalized average. When determining compliance with this subdivision,
 84.3 a consumer-owned utility may elect to average annual energy savings over a period not to
 84.4 exceed five years, as specified in the plan filed under subdivision 4. A consumer-owned
 84.5 utility that uses annual plans may carry forward for up to five years any energy savings
 84.6 exceeding 1.5 percent in a single year.

84.11 (e) A consumer-owned utility subject to this section is not required to make energy
 84.12 conservation improvements that are not cost-effective, even if the improvement is necessary
 84.13 to attain the energy savings goal.

84.14 (f) A consumer-owned utility may request that the commissioner adjust its annual energy
 84.15 savings goal based on its historical conservation investment experience, customer class
 84.16 makeup, load growth, a conservation potential study, impact on utility revenue that threatens
 84.17 necessary system investment, or other factors the commissioner and consumer-owned utility
 84.18 determines warrants an adjustment. The commissioner must adjust the savings goal to a
 84.19 level the commissioner determines is supported by the record.

273.20 (5) the cost-effectiveness and quality of the energy conservation programs offered by
273.21 the utility; and

273.22 (6) other factors the commissioner and consumer-owned utility determine warrant an
273.23 adjustment.

273.24 The commissioner must adjust the savings goal to a level the commissioner determines is
273.25 supported by the record, but must not approve a minimum energy-savings goal from energy
273.26 conservation improvements that is less than one percent of gross annual retail energy sales.

273.27 **Subd. 3. Consumer-owned utility; energy savings investments.** (a) Each cooperative
273.28 electric association and municipality subject to subdivision 2 must spend and invest in the
273.29 following amounts for energy conservation improvements under this subdivision:

273.30 (1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas
273.31 and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross
274.1 operating revenues from electric and gas service provided in Minnesota to large electric
274.2 customer facilities; and

274.3 (2) for a cooperative electric association, 1.5 percent of its gross operating revenues
274.4 from service provided in the state, excluding gross operating revenues from service provided
274.5 in the state to large electric customer facilities indirectly through a distribution cooperative
274.6 electric association.

274.7 (b) Each municipality and cooperative electric association subject to this subdivision
274.8 must identify and implement energy conservation improvement spending and investments
274.9 that are appropriate for the municipality or association, except that a municipality or
274.10 association must not spend or invest for energy conservation improvements that directly
274.11 benefit a large energy facility or a large electric customer facility that the commissioner has
274.12 issued an exemption to under section 216B.241, subdivision 1a, paragraph (a).

274.13 **Subd. 4. Consumer-owned utility; energy conservation and optimization plans.** (a)
274.14 By June 1, 2021, each consumer-owned utility must file with the commissioner an energy
274.15 conservation and optimization plan that describes the programs for energy conservation,
274.16 efficient fuel-switching improvements and load management programs, and other processes
274.17 and programs the utility plans to use to achieve its energy-savings goal. The plan may cover
274.18 a period not to exceed two years. The plan must provide an analysis of the cost-effectiveness
274.19 of the consumer-owned utility's programs offered under the plan, using a list of baseline
274.20 energy- and capacity-savings assumptions developed in consultation with the department.
274.21 An individual utility program may combine elements of energy conservation, load
274.22 management, or efficient fuel-switching. Plans received by June 1 must be evaluated by the
274.23 commissioner based on how well the plan meets the goals set under subdivision 2 by
274.24 December 1 of the same year, including the commissioner's assessment of whether the plan
274.25 is likely to achieve the goals. Beginning June 1, 2022, and every June 1 thereafter, each
274.26 consumer-owned utility must file: (1) an annual update identifying the status of its annual
274.27 plan filed under this subdivision, including (i) total expenditures and investments made to

84.20 **Subd. 4. Consumer-owned utility; energy conservation and optimization plans.** (a)
84.21 By June 1, 2021, each consumer-owned utility must file an energy conservation and
84.22 optimization plan with the commissioner. The plan must identify and outline the utility's
84.23 intended conservation improvement program, efficient electrification or conversion
84.24 improvement plans, load management plans, and other processes and programs to achieve
84.25 the energy savings goal. The plan may cover a period of time not to exceed five years. For
84.26 plans with a duration greater than one year, the consumer-owned utility's plan may include
84.27 years where the consumer-owned utility may not achieve the annual savings goal, provided
84.28 the total savings at the end of the plan meets, at a minimum, the otherwise applicable annual
84.29 savings goal for the utility. Beginning June 1, 2022, and each June 1 thereafter, each
84.30 consumer-owned utility must file an annual update identifying the status of, including total
84.31 expenditures and investments made to date, and any intended changes to its multiyear plan
84.32 filed under this subdivision. For consumer-owned utilities whose plans were completed the
84.33 prior June 1, a summary of the plan's result must be filed. A summary for a completed plan's
84.34 result must also be filed. The summary for a completed plan must include: (1) the total

274.28 date, and (ii) any intended changes to the plan; and (2) a summary of the annual
274.29 energy-savings achievements under a completed plan and a new plan that complies with
274.30 this section.

274.31 (b) In the filings required under paragraph (a), a consumer-owned utility must describe
274.32 and evaluate the programs offered by the utility under the plan, including:

274.33 (1) energy conservation improvements in the previous period and its progress toward
274.34 the minimum energy-savings goal from energy conservation improvements described in
275.1 subdivision 2, including accounting for lifetime savings and cumulative lifetime energy
275.2 savings under the plan. The evaluation must briefly describe each conservation program
275.3 the utility offers or plans to offer, and must specify the energy savings or increased efficiency
275.4 in the use of energy within the service territory of the utility that is the result of the program.
275.5 The commissioner must review each evaluation and make recommendations, where
275.6 appropriate, to the consumer-owned utility to increase the effectiveness of conservation
275.7 improvement activities. The commissioner must consider and may require a consumer-owned
275.8 utility to undertake a cost-effective program suggested by an outside source, including a
275.9 political subdivision, nonprofit corporation, or community organization;

275.10 (2) load management activities, including an analysis of the reduction in peak load
275.11 resulting from the program and an assessment of the cost-effectiveness of each program;
275.12 and

275.13 (3) efficient fuel-switching improvement activities, including an analysis regarding how
275.14 each program meets the criteria specified in subdivision 8 and an assessment of the
275.15 cost-effectiveness of each program. For improvements requiring the deployment of electric
275.16 technologies, the plan must also provide an analysis regarding how the fuel-switching
275.17 improvement is operated in order to facilitate the integration of variable renewable energy
275.18 into the electric system.

275.19 (c) When evaluating the cost-effectiveness of utility programs, the consumer-owned
275.20 utility and the commissioner must consider the costs and benefits to ratepayers, the utility,
275.21 participants, and society. In addition, the commissioner must consider the rate at which the
275.22 consumer-owned utility is increasing its energy savings and expenditures on energy
275.23 conservation, and its lifetime energy savings and cumulative energy savings.

275.24 (d) Each consumer-owned utility subject to this subdivision may annually spend and
275.25 invest up to ten percent of the total amount spent and invested on energy conservation
275.26 improvements under this subdivision on research and development projects that meet the

84.35 savings achieved under the plan; (2) a breakdown of total expenditures and investments
85.1 made; and (3) a brief discussion regarding where the utility achieved the greatest savings
85.2 and, if areas exist where savings were less than anticipated under the plan, where the shortage
85.3 occurred and what the suspected reason for the shortage is. For consumer-owned utilities
85.4 that fall short of the total applicable savings goal, the final report or update on that plan
85.5 must indicate where the actual savings differed from anticipated savings, any known reasons
85.6 for the shortfall, and any identified changes that utility will make in future plans filed under
85.7 this subdivision to reach the identified savings goal. A consumer-owned utility must file a
85.8 new plan under this paragraph by June 1 of the year following the completion of the
85.9 consumer-owned utility's most recently completed plan.

275.27 definition of energy conservation improvement and that are funded directly by the
275.28 consumer-owned utility.

275.29 (e) A generation and transmission cooperative electric association or municipal power
275.30 agency that provides energy services to consumer-owned utilities may invest in energy
275.31 conservation improvements on behalf of consumer-owned utilities it serves and may fulfill
275.32 the conservation, reporting, and energy-savings goals for any of those consumer-owned
275.33 utilities on an aggregate basis. For consumer-owned utilities electing to aggregate services
275.34 under this paragraph, multiyear plans up to three years may be filed with the commissioner.

276.1 (f) A consumer-owned utility is prohibited from spending for or investing in energy
276.2 conservation improvements that directly benefit a large energy facility or a large electric
276.3 customer facility the commissioner has issued an exemption to under section 216B.241,
276.4 subdivision 1a.

276.5 (g) The energy conservation and optimization plan of each consumer-owned utility
276.6 subject to this section must include activities to improve energy efficiency in the public
276.7 schools served by the utility. At a minimum, those activities must consist of programs to
276.8 update lighting in the school, update the heating and cooling systems of the school, provide
276.9 for building recommissioning, provide building operator training, and provide opportunities
276.10 to educate students, teachers, and staff regarding energy efficiency measures implemented
276.11 at that school.

276.12 Subd. 5. **Low-income programs.** (a) Each consumer-owned utility subject to this section
276.13 must provide energy conservation programs to low-income households. The commissioner
276.14 must evaluate a utility's plans under this section, considering the utility's historic spending
276.15 and participation levels, energy savings resulting from low-income programs, and the number
276.16 of low-income persons residing in the utility's service territory. A municipal utility that
276.17 furnishes gas service must spend at least 0.4 percent of its most recent three-year average
276.18 gross operating revenue from residential customers in Minnesota on low-income programs.
276.19 A consumer-owned utility that furnishes electric service must spend at least 0.4 percent of
276.20 its gross operating revenue from residential customers in Minnesota on low-income programs.
276.21 This requirement applies to each generation and transmission cooperative association's

85.10 (b) Energy savings from electric utility infrastructure projects or waste heat recovery
85.11 converted into electricity projects that may count as energy savings may be included in a
85.12 plan submitted under paragraph (a). A consumer-owned electric facility's infrastructure
85.13 project must result in increased energy efficiency greater than would have occurred during
85.14 normal maintenance activities.

85.15 (c) Energy savings from thermal-to-electric efficient electrification or conversion
85.16 improvement programs must be stated in kilowatt-hours, using a conversion rate of 3,412
85.17 British thermal units to one kilowatt-hour.

85.21 (e) A generation and transmission cooperative electric association, a municipal power
85.22 agency, or a comparable organization that provides energy services to consumer-owned
85.23 utilities may invest in energy conservation improvements on behalf of the consumer-owned
85.24 utilities it serves and may fulfill all aspects of the conservation, reporting, and energy-saving
85.25 goals for any of the consumer-owned utilities on an aggregate basis.

85.18 (d) A consumer-owned utility must not spend or invest in energy conservation
85.19 improvements that directly benefit large energy facility or a large electric customer facility
85.20 the commissioner has issued an exemption to under subdivision 13.

85.26 Subd. 5. **Low-income programs.** (a) Each consumer-owned utility subject to this section
85.27 must provide low-income energy conservation programs. When approving spending and
85.28 energy-savings goals for low-income energy conservation programs, the consumer-owned
85.29 utility must consider historic spending and participation levels, energy savings for low-income
85.30 programs, and the number of low-income persons residing in the utility's service territory.
85.31 A municipal utility that furnishes gas service must spend at least 0.2 percent off its most
85.32 recent three-year average gross operating revenue from residential customers in Minnesota
85.33 on low-income programs. A consumer-owned utility that furnishes electric service must
85.34 spend at least 0.2 percent of its gross operating revenue from residential customers in
86.1 Minnesota on low-income programs. This requirement applies to each generation and

276.22 members' aggregate gross operating revenue from the sale of electricity to residential
 276.23 customers in Minnesota.

276.24 (b) To meet the requirements of paragraph (a), a consumer-owned utility may contribute
 276.25 money to the energy and conservation account in section 216B.241, subdivision 2a. An
 276.26 energy conservation improvement plan must state the amount, if any, of low-income energy
 276.27 conservation improvement funds the utility plans to contribute to the energy and conservation
 276.28 account. Contributions must be remitted to the commissioner by February 1 each year.

276.29 (c) The commissioner must establish low-income programs to use money contributed
 276.30 to the energy and conservation account under paragraph (b). When establishing low-income
 276.31 programs, the commissioner must consult political subdivisions, utilities, and nonprofit and
 276.32 community organizations, including organizations engaged in providing energy and
 276.33 weatherization assistance to low-income households. Money contributed to the energy and
 276.34 conservation account under paragraph (b) must provide programs for low-income households,
 276.35 including low-income renters, located in the service territory of the utility or association
 277.1 providing the money. The commissioner must record and report expenditures and energy
 277.2 savings achieved as a result of low-income programs funded through the energy and
 277.3 conservation account in the report required under section 216B.241, subdivision 1c, paragraph
 277.4 (f). The commissioner may contract with a political subdivision, nonprofit or community
 277.5 organization, public utility, municipality, or cooperative electric association to implement
 277.6 low-income programs funded through the energy and conservation account.

277.7 (d) A consumer-owned utility may petition the commissioner to modify its required
 277.8 spending under this subdivision if the utility and the commissioner were unable to expend
 277.9 the amount required for three consecutive years.

277.10 (e) For purposes of this subdivision, "multifamily building" means a residential building
 277.11 with five or more dwelling units. Notwithstanding the definition of low-income household
 277.12 in section 216B.2402, for purposes of determining eligibility for multifamily buildings in
 277.13 low-income programs, a utility or association may use one or more of the following:

277.14 (1) information demonstrating a multifamily building's units are rented to households
 277.15 meeting one of the following criteria:

277.16 (i) household income at or below 200 percent of federal poverty level;

277.17 (ii) household income at or below 60 percent of area median income;

277.18 (iii) occupancy within a building that is certified on the Low Income Rental Classification
 277.19 (LIRC) Assessor Report compiled annually by the Minnesota Housing Finance Agency; or

277.20 (iv) occupancy within a building that has a declaration against the property requiring
 277.21 that a portion of the units are rented to tenants with an annual household income less than
 277.22 or equal to 60 percent of area median income;

277.23 (2) a property's participation in an affordable housing program, including low-income
 277.24 housing tax credits (LIHTC), United States Department of Housing and Urban Development

86.2 transmission cooperative association's members' aggregate gross operating revenue from
 86.3 the sale of electricity to residential customers in Minnesota.

86.4 (b) To meet the requirements of paragraph (a), a consumer-owned utility may contribute
 86.5 money to the energy and conservation account in section 216B.241, subdivision 2a. An
 86.6 energy conservation improvement plan must state the amount, if any, of low-income energy
 86.7 conservation improvement funds the utility plans to contribute to the energy and conservation
 86.8 account. Contributions must be remitted to the commissioner by February 1 each year.

86.9 (c) The commissioner must establish low-income programs to use money contributed
 86.10 to the energy and conservation account under paragraph (b). When establishing low-income
 86.11 programs, the commissioner must consult political subdivisions, utilities, and nonprofit and
 86.12 community organizations, including organizations engaged in providing energy and
 86.13 weatherization assistance to low-income persons. Money contributed to the energy and
 86.14 conservation account under paragraph (b) must provide programs for low-income persons,
 86.15 including low-income renters, located in the service territory of the utility or association
 86.16 providing the money. The commissioner must record and report expenditures and energy
 86.17 savings achieved as a result of low-income programs funded through the energy and
 86.18 conservation account in the report required under section 216B.241, subdivision 1c, paragraph
 86.19 (g). The commissioner may contract with a political subdivision, nonprofit or community
 86.20 organization, public utility, municipality, or cooperative electric association to implement
 86.21 low-income programs funded through the energy and conservation account.

86.22 (d) A consumer-owned utility may petition the commissioner to modify its required
 86.23 spending under this subdivision if the utility and the commissioner were unable to expend
 86.24 the amount required for three consecutive years.

86.25 (e) For purposes of this subdivision, "multifamily building" is defined as a residential
 86.26 building with five or more dwelling units. For purposes of determining eligibility for
 86.27 multifamily buildings in low-income programs, a utility or association may use one or more
 86.28 of the following:

86.29 (1) information showing that a multifamily building's units are rented to households
 86.30 meeting one or more of the following criteria:

86.31 (i) at or below 200 percent of federal poverty level;

86.32 (ii) at or below 60 percent of area median income;

87.1 (iii) occupancy within a building that is certified on the low-income renter classification
 87.2 (LIRC) assessor report compiled annually by the Minnesota Housing Finance Agency; or

87.3 (iv) occupancy within a building which has a declaration against the property requiring
 87.4 that a portion of the units will be rented to tenants with an annual income of less than or
 87.5 equal to 60 percent of area median income;

87.6 (2) a property's participation in an affordable housing program, including Low-Income
 87.7 Housing Tax Credits (LIHTC), United States Department of Housing and Urban Development

277.25 (HUD) assistance, United States Department of Agriculture (USDA) assistance, Minnesota
 277.26 Housing Finance Agency assistance, or local tax abatement for low-income properties; or

277.27 (3) documentation demonstrating that the property is on the waiting list for or currently
 277.28 participating in the United States Department of Energy Weatherization Assistance Program.

277.29 Subd. 6. **Recovery of expenses.** The commission must allow a cooperative electric
 277.30 association subject to rate regulation under section 216B.026 to recover expenses resulting
 277.31 from (1) a plan under this subdivision, and (2) assessments and contributions to the energy
 277.32 and conservation account under section 216B.241, subdivision 2a.

278.1 Subd. 7. **Ownership of energy conservation improvement.** An energy conservation
 278.2 improvement to or installed in a building under this section, excluding a system owned by
 278.3 the consumer-owned utility that is designed to turn off, limit, or vary the delivery of energy,
 278.4 is the exclusive property of the building owner, except to the extent that the improvement
 278.5 is subject to a security interest in favor of the utility in case of a loan to the building owner.

278.6 Subd. 8. **Criteria for efficient fuel-switching improvements.** A fuel-switching
 278.7 improvement is deemed efficient if the commissioner finds the improvement, relative to
 278.8 the fuel being displaced:

278.9 (1) results in a net reduction in the cost and amount of source energy consumed for a
 278.10 particular use, measured on a fuel-neutral basis;

278.11 (2) results in a net reduction of statewide greenhouse gas emissions, as defined in section
 278.12 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching
 278.13 improvement installed by an electric utility, the reduction in emissions must be measured

87.8 (HUD) assistance, United States Department of Agriculture (USDA) assistance, state housing
 87.9 finance agency assistance, or local tax abatement for low-income properties; or

87.10 (3) documentation demonstrating that the property is on the waiting list for or currently
 87.11 participating in the United States Department of Energy Weatherization Assistance Program.

87.12 Subd. 6. **Recovery of expenses.** The commission must allow a cooperative electric
 87.13 association subject to rate regulation under section 216B.026 to recover expenses resulting
 87.14 from (1) a plan under this subdivision, and (2) assessments and contributions to the energy
 87.15 and conservation account under section 216B.241, subdivision 2a.

87.16 Subd. 7. **Ownership of energy conservation improvement.** An energy conservation
 87.17 improvement to or installed in a building under this section, except systems owned by the
 87.18 consumer-owned utility and designed to turn off, limit, or vary the delivery of energy, is
 87.19 the exclusive property of the building owner, except to the extent that the improvement is
 87.20 subject to a security interest in favor of the utility in case of a loan to the building owner.
 87.21 The utility has no liability for loss, damage, or injury caused directly or indirectly by an
 87.22 energy conservation improvement, except for negligence by the utility in purchase,
 87.23 installation, or modification of the product.

87.24 Subd. 8. **Criteria for efficient electrification or conversion improvements and load
 87.25 management.** (a) Each consumer-owned utility subject to this section may form a technical
 87.26 consumer-owned utility working group to define and establish proposed programs for
 87.27 efficient electrification or conversion improvements and load management. A proposed
 87.28 program may be included in an energy conservation and optimization plan filed by the
 87.29 consumer-owned utility under subdivision 4. The technical consumer-owned utility working
 87.30 group may approve a proposed program for efficient electrification or conversion
 87.31 improvements if it finds the investment is cost-effective after considering the costs and
 87.32 benefits of the proposed investment to rate payers, the utility, participants, and society.

87.33 (b) The commission may permit a consumer-owned utility subject to rate regulation to
 87.34 file rate schedules providing for annual recovery of the costs of (1) efficient electrification
 88.1 or conversion improvement programs, and (2) cost-effective load management approved
 88.2 by the technical consumer-owned utility working group under subdivision 6, including
 88.3 reasonable and prudent costs associated with promoting and implementing a program
 88.4 approved under this subdivision.

88.5 (c) An efficient electrification or conversion improvement is deemed efficient if the
 88.6 technical consumer-owned utility working group finds the improvement, relative to the fuel
 88.7 that is being displaced:

88.8 (1) results in a net reduction in the cost and amount of source energy consumed for a
 88.9 particular use, measured on a fuel-neutral basis;

88.10 (2) results in a net reduction of statewide greenhouse gas emissions, as defined in section
 88.11 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient electrification
 88.12 or conversion improvement installed by an electric utility, the reduction in emissions must

278.14 based on the hourly emissions profile of the utility or the utility's wholesale provider. Where
278.15 applicable, the hourly emissions profile used must be the most recent resource plan approved
278.16 by the commission under section 216B.2422;

278.17 (3) is cost-effective from a societal perspective, considering the costs associated with
278.18 both the old and replacement fuels; and

278.19 (4) is installed and operated in a manner that does not unduly increase the utility's system
278.20 peak demand or require significant new investment in utility infrastructure.

278.21 Subd. 9. **Manner of filing and service.** (a) A consumer-owned utility must submit the
278.22 filings required by this section to the department using the department's electronic filing
278.23 system.

278.24 (b) The submission of a document to the department's electronic filing system constitutes
278.25 service on the department. If a department rule requires service of a notice, order, or other
278.26 document by the department, utility, or interested party upon persons on a service list
278.27 maintained by the department, service may be made by personal delivery, mail, or electronic
278.28 service. Electronic service may be made only to persons on the service list that have
278.29 previously agreed in writing to accept electronic service at an electronic address provided
278.30 to the department for electronic service purposes.

278.31 Subd. 10. **Assessment.** The commission or department may assess utilities subject to
278.32 this section to carry out the purposes of section 216B.241, subdivisions 1d, 1e, and 1f. An
278.33 assessment under this paragraph must be proportionate to the utility's respective gross
279.1 operating revenue from sales of gas or electric service in Minnesota during the previous
279.2 calendar year. Assessments under this subdivision are not subject to the cap on assessments
279.3 under section 216B.62 or any other law.

88.13 be measured based on the emissions profile of the utility or the utility's wholesale provider
88.14 over the life of the improvement. Where applicable, the emissions profile used must be the
88.15 most recent resource plan accepted by the commission under section 216B.2422;

88.16 (3) is cost-effective from a societal perspective, considering the costs associated with
88.17 both the fuel used in the past and the fuel used in the future; and

88.18 (4) is planned to be installed and operated in a manner that does not unduly increase the
88.19 utility's system peak demand or require significant new investment in utility infrastructure.

88.20 **Subd. 9. Criteria for CIP solar rebates.** (a) Each consumer-owned utility subject to
88.21 this section may claim energy savings credit equal to the amount of energy produced by
88.22 solar photovoltaic facilities for which the utility has issued a CIP solar rebate. For purposes
88.23 of this section, a "CIP solar rebate" is a payment from a utility subject to this section to a
88.24 customer for the purchase or installation of solar photovoltaic equipment used on the
88.25 customer's premise.

88.26 (b) The total solar photovoltaic generation system annual energy production kilowatt
88.27 hours alternating current is limited to 100 percent of the customer's on-site annual electric
88.28 energy consumption based on standard 15-minute intervals, measured during the previous
88.29 12 calendar months, or on a reasonable estimate of the average monthly maximum demand
88.30 or average annual consumption if the customer has either: (1) less than 12 calendar months
88.31 of actual electric usage; or (2) no demand metering available.

88.32 **Subd. 10. Manner of filing and service.** (a) A consumer-owned utility must submit the
88.33 filings required by this section to the department using the department's electronic filing
89.1 system. The commissioner may exempt a consumer-owned utility from this requirement if
89.2 the utility is unable to submit filings using the department's electronic filing system. All
89.3 other interested parties must submit filings to the department using the department's electronic
89.4 filing system whenever practicable, but may also file by personal delivery or by mail.

89.5 (b) The submission of a document to the department's electronic filing system constitutes
89.6 service on the department. If a department rule requires service of a notice, order, or other
89.7 document by the department, utility, or interested party upon persons on a service list
89.8 maintained by the department, service may be made by personal delivery, mail, or electronic
89.9 service, except that electronic service may only be made to persons on the service list that
89.10 have previously agreed in writing to accept electronic service at an electronic address
89.11 provided to the department for electronic service purposes.

89.12 **Subd. 11. Assessment.** (a) The commission or department may assess utilities subject
89.13 to this section to carry out the purposes of section 216B.241, subdivision 1d. An assessment
89.14 under this paragraph must be proportionate to the utility's respective gross operating revenue
89.15 from sales of gas or electric service in Minnesota during the previous calendar year.

279.4 **Subd. 11. Waste heat recovery; thermal energy distribution.** Subject to department
279.5 approval, demand-side natural gas or electric energy displaced by use of waste heat recovered
279.6 and used as thermal energy, including the recovered thermal energy from a cogeneration
279.7 or combined heat and power facility, is eligible to be counted toward a consumer-owned
279.8 utility's natural gas or electric savings goals.

89.16 (b) The commission or department may annually assess a utility subject to this section
89.17 to carry out the purposes of section 216B.241, subdivisions 1e and 1f, upon notice from the
89.18 utility of its desire to continue the assessment. An assessment under this paragraph must be
89.19 proportionate to the utility's respective gross revenue from sales of gas or electric service
89.20 in Minnesota during the previous calendar year. Assessments under this paragraph are not
89.21 subject to the cap on assessments provided by section 216B.62, or any other law.

89.22 **Subd. 12. Waste heat recovery; thermal energy distribution.** Subject to department
89.23 approval, demand-side natural gas or electric energy displaced by use of waste heat recovered
89.24 and used as thermal energy, including the recovered thermal energy from a cogeneration
89.25 or combined heat and power facility, is eligible to be counted toward a consumer-owned
89.26 utility's natural gas or electric savings goals.

89.27 **Subd. 13. Large customer facilities.** (a) The owner of a large customer facility may
89.28 petition the commissioner to exempt municipal electric utilities, municipal gas utilities, and
89.29 cooperative electric associations serving the large customer facility from the investment
89.30 and expenditure requirements of the municipal electric utility, municipal gas utility, or
89.31 cooperative electric association's plan under this section with respect to retail revenues
89.32 attributable to the large customer facility. The filing must include a discussion of the
89.33 competitive or economic pressures facing the owner of the facility and the efforts taken to
89.34 identify, evaluate, and implement energy conservation and efficiency improvements. A
90.1 filing submitted on or before October 1 of any year must be approved within 90 days and
90.2 becomes effective January 1 of the year following the filing, unless the commissioner finds
90.3 the owner of the large customer facility has failed to take reasonable measures to identify,
90.4 evaluate, and implement energy conservation and efficiency improvements. If a facility
90.5 qualifies as a large customer facility solely due to its peak electrical demand or annual
90.6 natural gas usage, the exemption may be limited to the qualifying utility if the commissioner
90.7 finds that the owner of the large customer facility has failed to take reasonable measures to
90.8 identify, evaluate, and implement energy conservation and efficiency improvements with
90.9 respect to the nonqualifying utility. Once an exemption is approved, the commissioner may
90.10 request the owner of a large customer facility to submit a report demonstrating the large
90.11 customer facility's ongoing commitment to energy conservation and efficiency improvement
90.12 after the exemption filing. The commissioner may request a report under this paragraph not
90.13 more than once every five years for up to ten years after the effective date of the exemption.
90.14 If the majority ownership of the large customer facility changes, the commissioner may
90.15 request additional reports for up to ten years after the change in ownership occurs. The
90.16 commissioner may, within 180 days of receiving a report submitted under this paragraph,
90.17 rescind any exemption granted under this paragraph upon a determination that the large
90.18 customer facility is not continuing to make reasonable efforts to identify, evaluate, and
90.19 implement energy conservation improvements. A large customer facility that is exempt
90.20 from the investment and expenditure requirements of this section under an order from the
90.21 commissioner as of December 31, 2010, is not required to submit a report to retain its exempt
90.22 status, except as otherwise provided in this paragraph with respect to ownership changes.
90.23 An exempt large customer facility is prohibited from participating in a municipal electric,

90.24 municipal gas, or cooperative electric association utility's conservation improvement program
 90.25 unless the owner of the facility files with the commissioner to withdraw its exemption.

90.26 (b) A commercial gas customer that is not a large customer facility and that purchases
 90.27 or acquires natural gas from a municipal gas utility may petition the commissioner to exempt
 90.28 the commercial gas customer from the municipal gas customer from the municipal gas
 90.29 utility's plan under this section with respect to gas sales attributable to the commercial gas
 90.30 customer. The petition must be supported by evidence demonstrating that the commercial
 90.31 gas customer has acquired or can reasonably acquire the capability to bypass use of the
 90.32 municipal utility's gas distribution system by obtaining natural gas directly from a supplier
 90.33 other than the municipal gas utility. The commissioner must grant the exemption if the
 90.34 commissioner finds the petitioner has made the demonstration required by this paragraph.

91.1 (c) A municipal electric utility, municipal gas utility, cooperative electric association,
 91.2 or the owner of a large customer facility may appeal the commissioner's decision under
 91.3 paragraph (a) or (b) to the commissioner under subdivision 2. When reviewing a decision
 91.4 of the commissioner under paragraph (a) or (b), the commission must rescind the decision
 91.5 if it finds the decision is not in the public's interest.

91.6 (d) A municipal electric utility, municipal gas utility, or cooperative electric association
 91.7 is prohibited from spending for or investing in energy conservation improvements that
 91.8 directly benefit a large facility or a large electric customer facility that the commissioner
 91.9 has issued an exemption for under this section.

279.9 Sec. 19. Minnesota Statutes 2018, section 216B.241, subdivision 1a, is amended to read:

279.10 Subd. 1a. Investment, expenditure, and contribution; public utility Large customer
 279.11 facility. (a) For purposes of this subdivision and subdivision 2, "public utility" has the
 279.12 meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and
 279.13 invest for energy conservation improvements under this subdivision and subdivision 2 the
 279.14 following amounts:

279.15 (1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues
 279.16 from service provided in the state;

279.17 (2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues
 279.18 from service provided in the state; and

279.19 (3) for a utility that furnishes electric service and that operates a nuclear-powered electric
 279.20 generating plant within the state, two percent of its gross operating revenues from service
 279.21 provided in the state.

279.22 For purposes of this paragraph (a), "gross operating revenues" do not include revenues
 279.23 from large customer facilities exempted under paragraph (b), or from commercial gas
 279.24 customers that are exempted under paragraph (e) or (e).

279.25 (a) The owner of a large customer facility may petition the commissioner to exempt
 279.26 both electric and gas utilities serving the large customer facility from the investment and

279.27 expenditure requirements of ~~paragraph (a)~~ a utility's plan under this section or section
279.28 216B.2403 with respect to retail revenues attributable to the large customer facility. The
279.29 filing must include a discussion of the competitive or economic pressures facing the owner
279.30 of the facility and the efforts taken by the owner to identify, evaluate, and implement energy
279.31 conservation and efficiency improvements. A filing submitted on or before October 1 of
279.32 any year must be approved within 90 days and become effective January 1 of the year
279.33 following the filing, unless the commissioner finds that the owner of the large customer
280.1 facility has failed to take reasonable measures to identify, evaluate, and implement energy
280.2 conservation and efficiency improvements. If a facility qualifies as a large customer facility
280.3 solely due to its peak electrical demand or annual natural gas usage, the exemption may be
280.4 limited to the qualifying utility if the commissioner finds that the owner of the large customer
280.5 facility has failed to take reasonable measures to identify, evaluate, and implement energy
280.6 conservation and efficiency improvements with respect to the nonqualifying utility. Once
280.7 an exemption is approved, the commissioner may request the owner of a large customer
280.8 facility to submit, not more often than once every five years, a report demonstrating the
280.9 large customer facility's ongoing commitment to energy conservation and efficiency
280.10 improvement after the exemption filing. The commissioner may request such reports for
280.11 up to ten years after the effective date of the exemption, unless the majority ownership of
280.12 the large customer facility changes, in which case the commissioner may request additional
280.13 reports for up to ten years after the change in ownership occurs. The commissioner may,
280.14 within 180 days of receiving a report submitted under this paragraph, rescind any exemption
280.15 granted under this paragraph upon a determination that the large customer facility is not
280.16 continuing to make reasonable efforts to identify, evaluate, and implement energy
280.17 conservation improvements. A large customer facility that is, under an order from the
280.18 commissioner, exempt from the investment and expenditure requirements of paragraph (a)
280.19 as of December 31, 2010, is not required to submit a report to retain its exempt status, except
280.20 as otherwise provided in this paragraph with respect to ownership changes. No exempt large
280.21 customer facility may participate in a utility conservation improvement program unless the
280.22 owner of the facility submits a filing with the commissioner to withdraw its exemption.

280.23 ~~(b)~~ (b) A commercial gas customer that is not a large customer facility and that purchases
280.24 or acquires natural gas from a public utility having fewer than 600,000 natural gas customers
280.25 in Minnesota may petition the commissioner to exempt gas utilities serving the commercial
280.26 gas customer from the investment and expenditure requirements of ~~paragraph (a)~~ a utility's
280.27 plan under this section or section 216B.2403 with respect to retail revenues attributable to
280.28 the commercial gas customer. The petition must be supported by evidence demonstrating
280.29 that the commercial gas customer has acquired or can reasonably acquire the capability to
280.30 bypass use of the utility's gas distribution system by obtaining natural gas directly from a
280.31 supplier not regulated by the commission. The commissioner shall grant the exemption if
280.32 the commissioner finds that the petitioner has made the demonstration required by this
280.33 paragraph.

280.34 ~~(c)~~ (c) The commissioner may require investments or spending greater than the amounts
280.35 required under this subdivision for a public utility whose most recent advance forecast

281.1 required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100
281.2 megawatts or greater within five years under midrange forecast assumptions.

281.3 ~~(e)(d)~~ A public utility or owner of a large customer facility may appeal a decision of
281.4 the commissioner under paragraph ~~(a) or (b), (e), or (d)~~ to the commission under subdivision
281.5 2. In reviewing a decision of the commissioner under paragraph ~~(a) or (b), (e), or (d)~~, the
281.6 commission shall rescind the decision if it finds that the required investments or spending
281.7 will

281.8 ~~(1) not result in cost-effective energy conservation improvements; or~~

281.9 ~~(2) otherwise the decision is not be in the public interest.~~

281.10 ~~(e) A public utility is prohibited from spending for or investing in energy conservation~~
281.11 ~~improvements that directly benefit a large energy facility or a large electric customer facility~~
281.12 ~~the commissioner has issued an exemption to under this section.~~

281.13 Sec. 20. Minnesota Statutes 2018, section 216B.241, subdivision 1c, is amended to read:

281.14 Subd. 1c. **Public utility; energy-saving goals.** (a) The commissioner shall establish
281.15 energy-saving goals for energy conservation improvement expenditures and shall evaluate
281.16 an energy conservation improvement program on how well it meets the goals set.

281.17 (b) Each individual public utility and association shall have providing electric service
281.18 has an annual energy-savings goal equivalent to 1.5 1.75 percent of gross annual retail
281.19 energy sales unless modified by the commissioner under paragraph (d)(c). A public utility
281.20 providing natural gas service has an annual energy-savings goal equivalent to one percent
281.21 of gross annual retail energy sales, which cannot be lowered by the commissioner. The
281.22 savings goals must be calculated based on the most recent three-year weather-normalized
281.23 average. A public utility or association providing electric service may elect to carry forward
281.24 energy savings in excess of 1.5 1.75 percent for a year to the succeeding three calendar
281.25 years, except that savings from electric utility infrastructure projects allowed under paragraph
281.26 ~~(d) may be carried forward for five years. A public utility providing natural gas service may~~
281.27 ~~elect to carry forward energy savings in excess of one percent for a year to the succeeding~~
281.28 ~~three calendar years.~~ A particular energy savings can be used only for one year's goal.

281.29 (e) The commissioner must adopt a filing schedule that is designed to have all utilities
281.30 and associations operating under an energy-savings plan by calendar year 2010.

281.31 ~~(d)(c)~~ In its energy conservation and optimization plan filing, a public
281.32 utility or association may request the commissioner to adjust its annual energy-savings
281.33 percentage goal based on its historical conservation investment experience, customer class
282.1 makeup, load growth, a conservation potential study, or other factors the commissioner
282.2 determines warrants an adjustment. The commissioner may not approve a plan of a public
282.3 utility that provides for an annual energy-savings goal of less than one percent of gross
282.4 annual retail energy sales from energy conservation improvements.

91.10 Sec. 2. Minnesota Statutes 2018, section 216B.241, subdivision 1c, is amended to read:

91.11 Subd. 1c. **Public utility; energy-saving goals.** (a) The commissioner shall establish
91.12 energy-saving goals for energy conservation improvement expenditures and shall evaluate
91.13 an energy conservation improvement program on how well it meets the goals set.

91.14 (b) Each individual public utility and association shall have an annual energy-savings
91.15 goal equivalent to 1.5 percent of gross annual retail energy sales ~~unless modified by the~~
91.16 ~~commissioner under paragraph (d).~~ The savings goals must be calculated based on the most
91.17 recent three-year weather-normalized average. A public utility or association may elect to
91.18 carry forward energy savings in excess of 1.5 percent for a year to the succeeding three
91.19 calendar years, except that savings from electric utility infrastructure projects allowed under
91.20 paragraph ~~(d)(c)~~ may be carried forward for five years. A particular energy savings can be
91.21 used only for one year's goal.

91.22 (e) The commissioner must adopt a filing schedule that is designed to have all utilities
91.23 and associations operating under an energy-savings plan by calendar year 2010.

91.24 ~~(d)(c)~~ In its energy conservation improvement plan filing, a public utility or association
91.25 may request the commissioner to adjust its annual energy-savings percentage goal based
91.26 on its historical conservation investment experience, customer class makeup, load growth,
91.27 a conservation potential study, or other factors the commissioner determines warrants an
91.28 adjustment. The commissioner may not approve a plan of a public utility that provides for
91.29 an annual energy-savings goal of less than one percent of gross annual retail energy sales
91.30 from energy conservation improvements.

282.5 (d) A public utility or association may include in its energy conservation and optimization
 282.6 plan energy savings from electric utility infrastructure projects approved by the commission
 282.7 under section 216B.1636 or waste heat recovery converted into electricity projects that may
 282.8 count as energy savings in addition to a minimum energy-savings goal of at least one percent
 282.9 for energy conservation improvements. The balance of energy savings contributing toward
 282.10 the annual energy savings goal must be achieved by: (1) energy savings from additional
 282.11 energy conservation improvements; or (2) electric utility infrastructure projects, as defined
 282.12 in section 216B.1636, subdivision 1, that Energy savings from electric utility infrastructure
 282.13 projects, as defined in section 216B.1636, may be included in the energy conservation plan
 282.14 of a municipal utility or cooperative electric association. Electric utility infrastructure projects
 282.15 must result in increased energy efficiency greater than that which would have occurred
 282.16 through normal maintenance activity.

282.17 (e) An energy savings goal is not satisfied by attaining the revenue expenditure
 282.18 requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the
 282.19 energy savings goal established in this subdivision.

282.20 (f) An association or (e) A public utility is not required to make energy conservation
 282.21 investments to attain the energy-savings goals of this subdivision that are not cost-effective
 282.22 even if the investment is necessary to attain the energy-savings goals. For the purpose of
 282.23 this paragraph, in determining cost-effectiveness, the commissioner shall consider the costs
 282.24 and benefits to ratepayers, the utility, participants, and society. In addition, the commissioner
 282.25 shall consider the rate at which an association or municipal a public utility is increasing its
 282.26 energy savings and its expenditures on energy conservation, as well as the public utility's
 282.27 lifetime energy savings and cumulative energy savings.

282.28 (g) (f) On an annual basis, the commissioner shall produce and make publicly available
 282.29 a report on the annual energy and capacity savings and estimated carbon dioxide reductions
 282.30 achieved by the energy conservation improvement programs under this section and section
 282.31 216B.2403 for the two most recent years for which data is available. The report must also
 282.32 include information regarding any annual energy sales or generation capacity increases
 282.33 resulting from efficient fuel-switching improvements. The commissioner shall report on
 282.34 program performance both in the aggregate and for each entity filing an energy conservation
 283.1 improvement plan for approval or review by the commissioner, and must provide an estimate
 283.2 for progress toward the statewide energy-savings goal under section 216B.2401.

283.3 (h) By January 15, 2010, the commissioner shall report to the legislature whether the
 283.4 spending requirements under subdivisions 1a and 1b are necessary to achieve the
 283.5 energy savings goals established in this subdivision.

283.6 (i) This subdivision does not apply to:

283.7 (1) a cooperative electric association with fewer than 5,000 members;
 283.8 (2) a municipal utility with fewer than 1,000 retail electric customers; or

91.31 A public utility or association may include in its energy conservation plan energy savings
 91.32 from electric utility infrastructure projects approved by the commission under section
 91.33 216B.1636 or waste heat recovery converted into electricity projects that may count as
 92.1 energy savings in addition to a minimum energy-savings goal of at least one percent for
 92.2 energy conservation improvements. Energy savings from electric utility infrastructure
 92.3 projects, as defined in section 216B.1636, may be included in the energy conservation plan
 92.4 of a municipal utility or cooperative electric association. Electric utility infrastructure projects
 92.5 must result in increased energy efficiency greater than that which would have occurred
 92.6 through normal maintenance activity.

92.7 (e) An (d) A public utility's energy-savings goal is not satisfied by attaining the revenue
 92.8 expenditure requirements of subdivisions 1a and 1b, but can only be satisfied by meeting
 92.9 the energy-savings goal established in this subdivision.

92.10 (f) An association or (e) A public utility is not required to make energy conservation
 92.11 investments to attain the energy-savings goals of this subdivision that are not cost-effective
 92.12 even if the investment is necessary to attain the energy-savings goals. For the purpose of
 92.13 this paragraph, in determining cost-effectiveness, the commissioner shall consider the costs
 92.14 and benefits to ratepayers, the utility, participants, and society. In addition, the commissioner
 92.15 shall consider the rate at which an association or municipal utility is increasing its energy
 92.16 savings and its expenditures on energy conservation.

92.17 (g) (f) On an annual basis, the commissioner shall produce and make publicly available
 92.18 a report on the annual energy savings and estimated carbon dioxide reductions achieved by
 92.19 the energy conservation improvement programs for the two most recent years for which
 92.20 data is available. The commissioner shall report on program performance both in the
 92.21 aggregate and for each entity filing an energy conservation improvement plan for approval
 92.22 or review by the commissioner.

92.23 (h) By January 15, 2010, the commissioner shall report to the legislature whether the
 92.24 spending requirements under subdivisions 1a and 1b are necessary to achieve the
 92.25 energy savings goals established in this subdivision.

92.26 (i) This subdivision does not apply to:

92.27 (1) a cooperative electric association with fewer than 5,000 members;
 92.28 (2) a municipal utility with fewer than 1,000 retail electric customers; or

283.9 ~~(3) a municipal utility with less than 1,000,000,000 cubic feet in annual throughput sales~~
 283.10 ~~to retail natural gas customers.~~

283.11 Sec. 21. Minnesota Statutes 2018, section 216B.241, subdivision 1d, is amended to read:

283.12 Subd. 1d. **Technical assistance.** (a) The commissioner shall evaluate energy conservation
 283.13 improvement programs under this section and section 216B.2403 on the basis of
 283.14 cost-effectiveness and the reliability of the technologies employed. The commissioner shall,
 283.15 by order, establish, maintain, and update energy-savings assumptions that must be used
 283.16 when filing energy conservation improvement programs. The department must track a public
 283.17 utility's or consumer-owned utility's lifetime energy savings and cumulative lifetime energy
 283.18 savings provided to the commissioner in plans submitted under this section. The
 283.19 commissioner shall establish an inventory of the most effective energy conservation
 283.20 programs, techniques, and technologies, and encourage all Minnesota utilities to implement
 283.21 them, where appropriate, in their service territories. The commissioner shall describe these
 283.22 programs in sufficient detail to provide a utility reasonable guidance concerning
 283.23 implementation. The commissioner shall prioritize the opportunities in order of potential
 283.24 energy savings and in order of cost-effectiveness. The commissioner may contract with a
 283.25 third party to carry out any of the commissioner's duties under this subdivision, and to obtain
 283.26 technical assistance to evaluate the effectiveness of any conservation improvement program.
 283.27 The commissioner may assess up to \$850,000 annually for the purposes of this subdivision.
 283.28 The assessments must be deposited in the state treasury and credited to the energy and
 283.29 conservation account created under subdivision 2a. An assessment made under this
 283.30 subdivision is not subject to the cap on assessments provided by section 216B.62, or any
 283.31 other law.

283.32 (b) Of the assessment authorized under paragraph (a), the commissioner may expend
 283.33 up to \$400,000 annually for the purpose of developing, operating, maintaining, and providing
 284.1 technical support for a uniform electronic data reporting and tracking system available to
 284.2 all utilities subject to this section, in order to enable accurate measurement of the cost and
 284.3 energy savings of the energy conservation improvements required by this section. This
 284.4 paragraph expires June 30, 2018. By March 15 of the year following the enactment of this
 284.5 section, the commissioner must, by order, develop and publish technical information
 284.6 necessary to evaluate whether deployment of a fuel-switching improvement meets the
 284.7 criteria established under subdivision 11, paragraph (c), and section 216B.2403, subdivision
 284.8 8, including the formula to account for the energy saved by a fuel-switching improvement
 284.9 on a fuel-neutral basis. The commissioner must update the technical information as necessary.

284.10 Sec. 22. Minnesota Statutes 2018, section 216B.241, subdivision 1f, is amended to read:

284.11 Subd. 1f. **Facilities energy efficiency.** (a) The commissioner of administration and the
 284.12 commissioner of commerce shall maintain and, as needed, revise the sustainable building
 284.13 design guidelines developed under section 16B.325.

284.14 (b) The commissioner of administration and the commissioner of commerce shall maintain
 284.15 and update the benchmarking tool developed under Laws 2001, chapter 212, article 1, section

92.29 ~~(3) a municipal utility with less than 1,000,000,000 cubic feet in annual throughput sales~~
 92.30 ~~to retail natural gas customers.~~

93.1 Sec. 3. Minnesota Statutes 2018, section 216B.241, subdivision 1d, is amended to read:

93.2 Subd. 1d. **Technical assistance.** (a) The commissioner shall evaluate energy conservation
 93.3 improvement programs under this section and section 216B.2402 on the basis of
 93.4 cost-effectiveness and the reliability of the technologies employed. The commissioner shall,
 93.5 by order, establish, maintain, and update energy-savings assumptions that must be used
 93.6 when filing energy conservation improvement programs. The commissioner shall establish
 93.7 an inventory of the most effective energy conservation programs, techniques, and
 93.8 technologies, and encourage all Minnesota utilities to implement them, where appropriate,
 93.9 in their service territories. The commissioner shall describe these programs in sufficient
 93.10 detail to provide a utility reasonable guidance concerning implementation. The commissioner
 93.11 shall prioritize the opportunities in order of potential energy savings and in order of
 93.12 cost-effectiveness. The commissioner may contract with a third party to carry out any of
 93.13 the commissioner's duties under this subdivision, and to obtain technical assistance to
 93.14 evaluate the effectiveness of any conservation improvement program. The commissioner
 93.15 may assess up to ~~\$850,000~~ \$450,000 annually for the purposes of this subdivision. The
 93.16 assessments must be deposited in the state treasury and credited to the energy and
 93.17 conservation account created under subdivision 2a. An assessment made under this
 93.18 subdivision is not subject to the cap on assessments provided by section 216B.62, or any
 93.19 other law.

93.20 (b) Of the assessment authorized under paragraph (a), the commissioner may expend
 93.21 up to \$400,000 annually for the purpose of developing, operating, maintaining, and providing
 93.22 technical support for a uniform electronic data reporting and tracking system available to
 93.23 all utilities subject to this section, in order to enable accurate measurement of the cost and
 93.24 energy savings of the energy conservation improvements required by this section. This
 93.25 paragraph expires June 30, 2018.

284.16 3, so that all public buildings can use the benchmarking tool to maintain energy use
284.17 information for the purposes of establishing energy efficiency benchmarks, tracking building
284.18 performance, and measuring the results of energy efficiency and conservation improvements.

284.19 (c) The commissioner shall require that utilities include in their conservation improvement
284.20 plans programs that facilitate professional engineering verification to qualify a building as
284.21 Energy Star-labeled, Leadership in Energy and Environmental Design (LEED) certified, or
284.22 Green Globes-certified. ~~The state goal is to achieve certification of 1,000 commercial~~
~~buildings as Energy Star-labeled, and 100 commercial buildings as LEED-certified or Green~~
284.24 ~~Globes certified by December 31, 2010.~~

284.25 (d) The commissioner may assess up to \$500,000 annually for the purposes of this
284.26 subdivision. The assessments must be deposited in the state treasury and credited to the
284.27 energy and conservation account created under subdivision 2a. An assessment made under
284.28 this subdivision is not subject to the cap on assessments provided by section 216B.62, or
284.29 any other law.

284.30 Sec. 23. Minnesota Statutes 2018, section 216B.241, subdivision 2, is amended to read:

284.31 Subd. 2. **Programs Public utility; energy conservation and optimization plans.** (a)
284.32 The commissioner may require public utilities to make investments and expenditures in
284.33 energy conservation improvements, explicitly setting forth the interest rates, prices, and
284.34 terms under which the improvements must be offered to the customers. The required
284.35 programs must cover no more than a three-year period. Public utilities shall file energy
284.36 conservation improvement and optimization plans by June 1, on a schedule determined by
284.37 order of the commissioner, but at least every three years. As provided in subdivision 11,
284.38 plans may include programs for efficient fuel-switching improvements and load management.
284.39 An individual utility program may combine elements of energy conservation, load
284.40 management, or efficient fuel-switching. Plans received by a public utility by June 1 must
284.41 be approved or approved as modified by the commissioner by December 1 of that same
284.42 year. The plan must account for the lifetime energy savings and cumulative lifetime savings
284.43 under the plan. The commissioner shall evaluate the program on the basis of
284.44 cost-effectiveness and the reliability of technologies employed. The commissioner's order
284.45 must provide to the extent practicable for a free choice, by consumers participating in the
284.46 program, of the device, method, material, or project constituting the energy conservation
284.47 improvement and for a free choice of the seller, installer, or contractor of the energy
284.48 conservation improvement, provided that the device, method, material, or project seller,
284.49 installer, or contractor is duly licensed, certified, approved, or qualified, including under
284.50 the residential conservation services program, where applicable.

284.51 (b) The commissioner may require a utility subject to subdivision 1c to make an energy
284.52 conservation improvement investment or expenditure whenever the commissioner finds
284.53 that the improvement will result in energy savings at a total cost to the utility less than the
284.54 cost to the utility to produce or purchase an equivalent amount of new supply of energy.

93.26 Sec. 4. Minnesota Statutes 2018, section 216B.241, subdivision 2, is amended to read:

93.27 Subd. 2. **Programs.** (a) The commissioner may require public utilities to make
93.28 investments and expenditures in energy conservation improvements, explicitly setting forth
93.29 the interest rates, prices, and terms under which the improvements must be offered to the
93.30 customers. The required programs must cover no more than a three-year period. Public
93.31 utilities shall file conservation improvement plans by June 1, on a schedule determined by
93.32 order of the commissioner, but at least every three years. Plans received by a public utility
93.33 by June 1 must be approved or approved as modified by the commissioner by December 1
93.34 of that same year. The commissioner shall evaluate the program on the basis of
94.1 cost-effectiveness and the reliability of technologies employed. The commissioner's order
94.2 must provide to the extent practicable for a free choice, by consumers participating in the
94.3 program, of the device, method, material, or project constituting the energy conservation
94.4 improvement and for a free choice of the seller, installer, or contractor of the energy
94.5 conservation improvement, provided that the device, method, material, or project seller,
94.6 installer, or contractor is duly licensed, certified, approved, or qualified, including under
94.7 the residential conservation services program, where applicable.

94.8 (b) The commissioner may require a utility subject to subdivision 1c to make an energy
94.9 conservation improvement investment or expenditure whenever the commissioner finds
94.10 that the improvement will result in energy savings at a total cost to the utility less than the
94.11 cost to the utility to produce or purchase an equivalent amount of new supply of energy.
94.12 The commissioner shall nevertheless ensure that every public utility operate one or more
94.13 programs under periodic review by the department.

285.22 The commissioner shall nevertheless ensure that every public utility operate one or more
 285.23 programs under periodic review by the department.

285.24 (c) Each public utility subject to this subdivision 4a may spend and invest annually up
 285.25 to ten percent of the total amount required to be spent and invested on energy conservation
 285.26 improvements under this section by the utility on research and development projects that
 285.27 meet the definition of energy conservation improvement in subdivision 1 and that are funded
 285.28 directly by the public utility.

285.29 (d) A public utility may not spend for or invest in energy conservation improvements
 285.30 that directly benefit a large energy facility or a large electric customer facility for which the
 285.31 commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The
 285.32 commissioner shall consider and may require a public utility to undertake a program
 285.33 suggested by an outside source, including a political subdivision, a nonprofit corporation,
 285.34 or community organization.

286.1 (e) A utility, a political subdivision, or a nonprofit or community organization that has
 286.2 suggested a program, the attorney general acting on behalf of consumers and small business
 286.3 interests, or a utility customer that has suggested a program and is not represented by the
 286.4 attorney general under section 8.33 may petition the commission to modify or revoke a
 286.5 department decision under this section, and the commission may do so if it determines that
 286.6 the program is not cost-effective, does not adequately address the residential conservation
 286.7 improvement needs of low-income persons, has a long-range negative effect on one or more
 286.8 classes of customers, or is otherwise not in the public interest. The commission shall reject
 286.9 a petition that, on its face, fails to make a reasonable argument that a program is not in the
 286.10 public interest.

286.11 (f) The commissioner may order a public utility to include, with the filing of the utility's
 286.12 annual status report, the results of an independent audit of the utility's conservation
 286.13 improvement programs and expenditures performed by the department or an auditor with
 286.14 experience in the provision of energy conservation and energy efficiency services approved
 286.15 by the commissioner and chosen by the utility. The audit must specify the energy savings
 286.16 or increased efficiency in the use of energy within the service territory of the utility that is
 286.17 the result of the spending and investments. The audit must evaluate the cost-effectiveness
 286.18 of the utility's conservation programs.

286.19 (g) A gas utility may not spend for or invest in energy conservation improvements that
 286.20 directly benefit a large customer facility or commercial gas customer facility for which the
 286.21 commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b), (c), or
 286.22 (e). The commissioner shall consider and may require a utility to undertake a program
 286.23 suggested by an outside source, including a political subdivision, a nonprofit corporation,
 286.24 or a community organization.

286.25 (g) The energy conservation and optimization plan for each public utility subject to this
 286.26 section must include activities to improve energy efficiency in public schools served by the
 286.27 utility. At a minimum, the efficiency in schools component must consist of programs to

94.14 (c) Each public utility subject to subdivision 1a may spend and invest annually up to ten
 94.15 percent of the total amount required to be spent and invested on energy conservation
 94.16 improvements under this section by the utility on research and development projects that
 94.17 meet the definition of energy conservation improvement in subdivision 1 and that are funded
 94.18 directly by the public utility.

94.19 (d) A public utility may not spend for or invest in energy conservation improvements
 94.20 that directly benefit a large energy facility or a large electric customer facility for which the
 94.21 commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The
 94.22 commissioner shall consider and may require a public utility to undertake a program
 94.23 suggested by an outside source, including a political subdivision, a nonprofit corporation,
 94.24 or community organization.

94.25 (e) A utility, a political subdivision, or a nonprofit or community organization that has
 94.26 suggested a program, the attorney general acting on behalf of consumers and small business
 94.27 interests, or a utility customer that has suggested a program and is not represented by the
 94.28 attorney general under section 8.33 may petition the commission to modify or revoke a
 94.29 department decision under this section, and the commission may do so if it determines that
 94.30 the program is not cost-effective, does not adequately address the residential conservation
 94.31 improvement needs of low-income persons, has a long-range negative effect on one or more
 94.32 classes of customers, or is otherwise not in the public interest. The commission shall reject
 94.33 a petition that, on its face, fails to make a reasonable argument that a program is not in the
 94.34 public interest.

95.1 (f) The commissioner may order a public utility to include, with the filing of the utility's
 95.2 annual status report, the results of an independent audit of the utility's conservation
 95.3 improvement programs and expenditures performed by the department or an auditor with
 95.4 experience in the provision of energy conservation and energy efficiency services approved
 95.5 by the commissioner and chosen by the utility. The audit must specify the energy savings
 95.6 or increased efficiency in the use of energy within the service territory of the utility that is
 95.7 the result of the spending and investments. The audit must evaluate the cost-effectiveness
 95.8 of the utility's conservation programs.

95.9 (g) A gas utility may not spend for or invest in energy conservation improvements that
 95.10 directly benefit a large customer facility or commercial gas customer facility for which the
 95.11 commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b), (c), or
 95.12 (e). The commissioner shall consider and may require a utility to undertake a program
 95.13 suggested by an outside source, including a political subdivision, a nonprofit corporation,
 95.14 or a community organization.

286.28 update lighting in schools, update heating and cooling systems in schools, provide for
 286.29 building recommissioning, provide building operator training, and provide opportunities to
 286.30 educate students, teachers, and staff regarding energy efficiency measures implemented at
 286.31 the school.

286.32 Sec. 24. Minnesota Statutes 2018, section 216B.241, subdivision 2b, is amended to read:

286.33 Subd. 2b. **Recovery of expenses.** The commission shall allow a public utility to recover
 286.34 expenses resulting from ~~a an energy conservation improvement program required and~~
 287.1 ~~optimization plan approved by the department under this section and contributions and~~
 287.2 assessments to the energy and conservation account, unless the recovery would be
 287.3 inconsistent with a financial incentive proposal approved by the commission. ~~The commission~~
 287.4 ~~shall allow a cooperative electric association subject to rate regulation under section~~
 287.5 ~~216B.026, to recover expenses resulting from energy conservation improvement programs,~~
 287.6 ~~load management programs, and assessments and contributions to the energy and~~
 287.7 ~~conservation account unless the recovery would be inconsistent with a financial incentive~~
 287.8 ~~proposal approved by the commission.~~ In addition, a public utility may file annually, or the
 287.9 Public Utilities Commission may require the utility to file, and the commission may approve,
 287.10 rate schedules containing provisions for the automatic adjustment of charges for utility
 287.11 service in direct relation to changes in the expenses of the utility for real and personal
 287.12 property taxes, fees, and permits, the amounts of which the utility cannot control. A public
 287.13 utility is eligible to file for adjustment for real and personal property taxes, fees, and permits
 287.14 under this subdivision only if, in the year previous to the year in which it files for adjustment,
 287.15 it has spent or invested at least 1.75 percent of its gross revenues from provision of electric
 287.16 service, excluding gross operating revenues from electric service provided in the state to
 287.17 large electric customer facilities for which the commissioner has issued an exemption under
 287.18 subdivision 1a, paragraph (b), and 0.6 percent of its gross revenues from provision of gas
 287.19 service, excluding gross operating revenues from gas services provided in the state to large
 287.20 electric customer facilities for which the commissioner has issued an exemption under
 287.21 subdivision 1a, paragraph (b), for that year for energy conservation improvements under
 287.22 this section.

287.23 Sec. 25. Minnesota Statutes 2018, section 216B.241, subdivision 3, is amended to read:

287.24 Subd. 3. **Ownership of energy conservation improvement.** ~~An A preweatherization~~
 287.25 measure or energy conservation improvement made to or installed in a building in accordance
 287.26 with this section, except systems owned by the utility and designed to turn off, limit, or vary
 287.27 the delivery of energy, are the exclusive property of the owner of the building except to the
 287.28 extent that the improvement is subjected to a security interest in favor of the utility in case
 287.29 of a loan to the building owner. The utility has no liability for loss, damage or injury caused
 287.30 directly or indirectly by ~~an a preweatherization measure or~~ energy conservation improvement
 287.31 except for negligence by the utility in purchase, installation, or modification of the product.

287.32 Sec. 26. Minnesota Statutes 2018, section 216B.241, subdivision 5, is amended to read:

95.15 Sec. 5. Minnesota Statutes 2018, section 216B.241, subdivision 2b, is amended to read:

95.16 Subd. 2b. **Recovery of expenses.** The commission shall allow a public utility to recover
 95.17 expenses resulting from a conservation improvement program required by the department
 95.18 and contributions and assessments to the energy and conservation account, unless the
 95.19 recovery would be inconsistent with a financial incentive proposal approved by the
 95.20 commission. The commission shall allow a cooperative electric association subject to rate
 95.21 regulation under section 216B.026, to recover expenses resulting from energy conservation
 95.22 improvement programs, load management programs, and assessments and contributions to
 95.23 the energy and conservation account unless the recovery would be inconsistent with a
 95.24 financial incentive proposal approved by the commission. In addition, a public utility may
 95.25 file annually, or the Public Utilities Commission may require the utility to file, and the
 95.26 commission may approve, rate schedules containing provisions for the automatic adjustment
 95.27 of charges for utility service in direct relation to changes in the expenses of the utility for
 95.28 real and personal property taxes, fees, and permits, the amounts of which the utility cannot
 95.29 control. A public utility is eligible to file for adjustment for real and personal property taxes,
 95.30 fees, and permits under this subdivision only if, in the year previous to the year in which it
 95.31 files for adjustment, it has spent or invested at least 1.75 percent of its gross revenues from
 95.32 provision of electric service, excluding gross operating revenues from electric service
 95.33 provided in the state to large electric customer facilities for which the commissioner has
 95.34 issued an exemption under subdivision 1a, paragraph (b), and 0.6 percent of its gross revenues
 95.35 from provision of gas service, excluding gross operating revenues from gas services provided
 96.1 in the state to large electric customer facilities for which the commissioner has issued an
 96.2 exemption under subdivision 1a, paragraph (b), for that year for energy conservation
 96.3 improvements under this section.

96.4 Sec. 6. Minnesota Statutes 2018, section 216B.241, subdivision 3, is amended to read:

96.5 Subd. 3. **Ownership of energy conservation improvement.** ~~An A preweatherization~~
 96.6 measure or energy conservation improvement made to or installed in a building in accordance
 96.7 with this section, except systems owned by the utility and designed to turn off, limit, or vary
 96.8 the delivery of energy, are the exclusive property of the owner of the building except to the
 96.9 extent that the improvement is subjected to a security interest in favor of the utility in case
 96.10 of a loan to the building owner. The utility has no liability for loss, damage or injury caused
 96.11 directly or indirectly by ~~an a preweatherization measure or~~ energy conservation improvement
 96.12 except for negligence by the utility in purchase, installation, or modification of the product.

287.33 Subd. 5. **Efficient lighting program.** (a) Each public utility, cooperative electric
287.34 association, and municipal utility that provides electric service to retail customers and is
288.1 subject to subdivision 1c shall include as part of its conservation improvement activities a
288.2 program to strongly encourage the use of ~~fluorescent and high-intensity discharge lamps~~
288.3 LEDs. The program must include at least a public information campaign to encourage use
288.4 of the lamps LEDs and proper management of spent lamps and LEDs by all customer
288.5 classifications.

288.6 (b) A public utility that provides electric service at retail to 200,000 or more customers
288.7 shall establish, either directly or through contracts with other persons, including lamp
288.8 manufacturers, distributors, wholesalers, and retailers and local government units, a system
288.9 to collect for delivery to a reclamation or recycling facility spent fluorescent and
288.10 high-intensity discharge lamps from households and from small businesses as defined in
288.11 section 645.445 that generate an average of fewer than ten spent lamps per year.

288.12 (c) A collection system must include establishing reasonably convenient locations for
288.13 collecting spent lamps from households and financial incentives sufficient to encourage
288.14 spent lamp generators to take the lamps to the collection locations. Financial incentives may
288.15 include coupons for purchase of new fluorescent or high-intensity discharge lamps, a cash
288.16 back system, or any other financial incentive or group of incentives designed to collect the
288.17 maximum number of spent lamps from households and small businesses that is reasonably
288.18 feasible.

288.19 (d) A public utility that provides electric service at retail to fewer than 200,000 customers,
288.20 a cooperative electric association, or a municipal utility that provides electric service at
288.21 retail to customers may establish a collection system under paragraphs (b) and (c) as part
288.22 of conservation improvement activities required under this section.

288.23 (e) The commissioner of the Pollution Control Agency may not, unless clearly required
288.24 by federal law, require a public utility, cooperative electric association, or municipality that
288.25 establishes a household fluorescent and high-intensity discharge lamp collection system
288.26 under this section to manage the lamps as hazardous waste as long as the lamps are managed
288.27 to avoid breakage and are delivered to a recycling or reclamation facility that removes
288.28 mercury and other toxic materials contained in the lamps prior to placement of the lamps
288.29 in solid waste.

288.30 (f) If a public utility, cooperative electric association, or municipal utility contracts with
288.31 a local government unit to provide a collection system under this subdivision, the contract
288.32 must provide for payment to the local government unit of all the unit's incremental costs of
288.33 collecting and managing spent lamps.

289.1 (g) All the costs incurred by a public utility, cooperative electric association, or municipal
289.2 utility for promotion and collection of fluorescent and high-intensity discharge lamps under
289.3 this subdivision are conservation improvement spending under this section.

289.4 (h) For the purposes of this section, "LED" means a light-emitting diode bulb or lighting
 289.5 product.

289.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

289.7 Sec. 27. Minnesota Statutes 2018, section 216B.241, subdivision 7, is amended to read:

289.8 Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each public
 289.9 utility ~~and association~~ subject to subdivision 1c provides low-income energy conservation
 289.10 programs to low-income households. When approving spending and energy-savings goals
 289.11 for low-income programs, the commissioner shall consider historic spending and participation
 289.12 levels, energy savings for low-income programs, and the number of low-income persons
 289.13 residing in the utility's service territory. A ~~municipal utility that furnishes gas service must~~
 289.14 spend at least ~~0.2~~ percent, and a public utility furnishing gas service must spend at least ~~0.4~~
 289.15 ~~0.8~~ percent, of its most recent three-year average gross operating revenue from residential
 289.16 customers in the state on low-income programs. A public utility or association that furnishes
 289.17 electric service must spend at least ~~0.4~~ 0.4 percent of its gross operating revenue from
 289.18 residential customers in the state on low-income programs. ~~For a generation and transmission~~
 289.19 cooperative association, this requirement shall apply to each association's members' aggregate
 289.20 gross operating revenue from sale of electricity to residential customers in the state.
 289.21 Beginning in 2010, A utility or association that furnishes electric service must spend ~~0.2~~
 289.22 percent of its gross operating revenue from residential customers in the state on low income
 289.23 programs.

289.24 (b) To meet the requirements of paragraph (a), a public utility or association may
 289.25 contribute money to the energy and conservation account. An energy conservation
 289.26 improvement plan must state the amount, if any, of low-income energy conservation
 289.27 improvement funds the public utility or association will contribute to the energy and
 289.28 conservation account. Contributions must be remitted to the commissioner by February 1
 289.29 of each year.

289.30 (c) The commissioner shall establish low-income programs to utilize money contributed
 289.31 to the energy and conservation account under paragraph (b). In establishing low-income
 289.32 programs, the commissioner shall consult political subdivisions, utilities, and nonprofit and
 289.33 community organizations, especially organizations engaged in providing energy and
 289.34 weatherization assistance to low-income ~~persons~~ households. Money contributed to the
 290.1 energy and conservation account under paragraph (b) must provide programs for low-income
 290.2 persons households, including low-income renters, in the service territory of the public
 290.3 utility ~~or association~~ providing the money. The commissioner shall record and report
 290.4 expenditures and energy savings achieved as a result of low-income programs funded
 290.5 through the energy and conservation account in the report required under subdivision 1c,
 290.6 paragraph (g). The commissioner may contract with a political subdivision, nonprofit or
 290.7 community organization, public utility, municipality, or cooperative electric association to
 290.8 implement low-income programs funded through the energy and conservation account.

96.13 Sec. 7. Minnesota Statutes 2018, section 216B.241, subdivision 7, is amended to read:

96.14 Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each public
 96.15 utility ~~and association~~ subject to subdivision 1c provides low-income programs. When
 96.16 approving spending and energy-savings goals for low-income programs, the commissioner
 96.17 shall consider historic spending and participation levels, energy savings for low-income
 96.18 programs, and the number of low-income persons residing in the utility's service territory.
 96.19 A ~~municipal utility that furnishes gas service must spend at least ~~0.2~~ percent, and a public~~
 96.20 utility furnishing gas service must spend at least ~~0.4~~ 0.8 percent, of its most recent three-year
 96.21 average gross operating revenue from residential customers in the state on low-income
 96.22 programs. A public utility or association that furnishes electric service must spend at least
 96.23 ~~0.4~~ 0.4 percent of its gross operating revenue from residential customers in the state on
 96.24 low-income programs. ~~For a generation and transmission cooperative association, this~~
 96.25 requirement shall apply to each association's members' aggregate gross operating revenue
 96.26 from sale of electricity to residential customers in the state. Beginning in 2010, A utility or
 96.27 association that furnishes electric service must spend ~~0.2~~ percent of its gross operating
 96.28 revenue from residential customers in the state on low income programs.

96.29 (b) To meet the requirements of paragraph (a), a public utility or association may
 96.30 contribute money to the energy and conservation account. An energy conservation
 96.31 improvement plan must state the amount, if any, of low-income energy conservation
 96.32 improvement funds the public utility or association will contribute to the energy and
 97.1 conservation account. Contributions must be remitted to the commissioner by February 1
 97.2 of each year.

97.3 (c) The commissioner shall establish low-income programs to utilize money contributed
 97.4 to the energy and conservation account under paragraph (b). In establishing low-income
 97.5 programs, the commissioner shall consult political subdivisions, utilities, and nonprofit and
 97.6 community organizations, especially organizations engaged in providing energy and
 97.7 weatherization assistance to low-income persons. Money contributed to the energy and
 97.8 conservation account under paragraph (b) must provide programs for low-income persons,
 97.9 including low-income renters, in the service territory of the public utility or association
 97.10 providing the money. The commissioner shall record and report expenditures and energy
 97.11 savings achieved as a result of low-income programs funded through the energy and
 97.12 conservation account in the report required under subdivision 1c, paragraph (g). The
 97.13 commissioner may contract with a political subdivision, nonprofit or community organization,
 97.14 public utility, municipality, or cooperative electric association to implement low-income
 97.15 programs funded through the energy and conservation account.

290.9 (d) A public utility or association may petition the commissioner to modify its required
290.10 spending under paragraph (a) if the utility or association and the commissioner have been
290.11 unable to expend the amount required under paragraph (a) for three consecutive years.

290.12 (e) For purposes of this subdivision, "multifamily building" is defined as a residential
290.13 building with five or more dwelling units. Notwithstanding the definition of low-income
290.14 household in section 216B.2402, for purposes of determining eligibility for multifamily
290.15 buildings in low-income programs, a utility or association may use one or more of the
290.16 following:

290.17 (1) information demonstrating a multifamily building's units are rented to households
290.18 meeting one of the following criteria:

290.19 (i) household income at or below 200 percent of federal poverty level;

290.20 (ii) household income at or below 60 percent of area median income;

290.21 (iii) occupancy within a building that is certified on the Low Income Renter Classification
290.22 (LIRC) Assessor Report compiled annually by Minnesota Housing Finance Agency; or

290.23 (iv) occupancy within a building which has a declaration against the property requiring
290.24 that a portion of the units are rented to tenants with an annual household income less than
290.25 or equal to 60 percent of area median income;

290.26 (2) a property's participation in an affordable housing program, including low-income
290.27 housing tax credits (LIHTC), United States Department of Housing and Urban Development
290.28 (HUD) assistance, United States Department of Agriculture (USDA) assistance, state housing
290.29 finance agency assistance, or local tax abatement for low-income properties; or

290.30 (3) documentation demonstrating that the property is on the waiting list for or currently
290.31 participating in the United States Department of Energy Weatherization Assistance Program.

290.32 (f) Up to 15 percent of a public utility's spending on low-income programs may be spent
290.33 on preweatherization measures. For purposes of this section and section 216B.241,
291.1 subdivision 3, "preweatherization measure" means an improvement that is necessary to
291.2 allow energy conservation improvements to be installed in a home.

291.3 (1) The commissioner must, by order, establish a list of qualifying preweatherization
291.4 measures eligible for inclusion in low-income programs no later than March 15 of the year
291.5 following enactment of this section.

291.6 (2) A public utility may elect to contribute money to the Healthy Asbestos Insulation
291.7 Removal (AIR) program administered by the department. Money contributed to the fund
291.8 counts toward the minimum low-income spending requirement in paragraph (a) and toward
291.9 the cap on preweatherization measures.

97.16 (d) A public utility or association may petition the commissioner to modify its required
97.17 spending under paragraph (a) if the utility or association and the commissioner have been
97.18 unable to expend the amount required under paragraph (a) for three consecutive years.

97.19 (e) For purposes of this subdivision, "multifamily building" is defined as a residential
97.20 building with five or more dwelling units. For purposes of determining eligibility for
97.21 multifamily buildings in low-income programs, a utility or association may use one or more
97.22 of the following:

97.23 (1) information showing that a multifamily building's units are rented to households
97.24 meeting one of the following criteria:

97.25 (i) are at or below 200 percent of federal poverty level;

97.26 (ii) are at or below 60 percent of area median income;

97.27 (iii) have occupancy within a building that is certified on the low-income renter
97.28 classification (LIRC) assessor report compiled annually by Minnesota Housing Finance
97.29 Agency; or

97.30 (iv) have occupancy within a building which has a declaration against the property
97.31 requiring that a portion of the units will be rented to tenants with an annual income of less
97.32 than or equal to 60 percent of area median income;

98.1 (2) a property's participation in an affordable housing program, including Low-Income
98.2 Housing Tax Credits (LIHTC), United States Department of Housing and Urban Development
98.3 (HUD) assistance, United States Department of Agriculture (USDA) assistance, state housing
98.4 finance agency assistance, or local tax abatement for low-income properties; or

98.5 (3) documentation demonstrating that the property is on the waiting list for or currently
98.6 participating in the United States Department of Energy Weatherization Assistance Program.

98.7 (f) Up to 15 percent of a public utility's spending on low-income programs may be used
98.8 for preweatherization measures. For purposes of this section, "preweatherization measures"
98.9 are improvements necessary to allow energy conservation improvements to be installed in
98.10 a home:

98.11 (1) the commissioner shall, by order, establish a list of qualifying preweatherization
98.12 measures eligible for inclusion in low-income programs no later than March 15, 2020; and

98.13 (2) a public utility may elect to contribute money to the Healthy AIR program. Money
98.14 contributed to the fund will count toward the minimum low-income spending requirement
98.15 in paragraph (a) and toward the cap on preweatherization measures.

291.10 ~~(e)~~(g) The costs and benefits associated with any approved low-income gas or electric
291.11 conservation improvement program that is not cost-effective when considering the costs
291.12 and benefits to the utility may, at the discretion of the utility, be excluded from the calculation
291.13 of net economic benefits for purposes of calculating the financial incentive to the utility.
291.14 The energy and demand savings may, at the discretion of the utility, be applied toward the
291.15 calculation of overall portfolio energy and demand savings for purposes of determining
291.16 progress toward annual goals and in the financial incentive mechanism.

291.17 Sec. 28. Minnesota Statutes 2018, section 216B.241, subdivision 9, is amended to read:

291.18 **Subd. 9. Building performance standards; Sustainable Building 2030.** (a) The purpose
291.19 of this subdivision is to establish cost-effective energy-efficiency performance standards
291.20 for new and substantially reconstructed commercial, industrial, and institutional buildings
291.21 that can significantly reduce carbon dioxide emissions by lowering energy use in new and
291.22 substantially reconstructed buildings. For the purposes of this subdivision, the establishment
291.23 of these standards may be referred to as Sustainable Building 2030.

291.24 (b) The commissioner shall contract with the Center for Sustainable Building Research
291.25 at the University of Minnesota to coordinate development and implementation of
291.26 energy-efficiency performance standards, strategic planning, research, data analysis,
291.27 technology transfer, training, and other activities related to the purpose of Sustainable
291.28 Building 2030. The commissioner and the Center for Sustainable Building Research shall,
291.29 in consultation with utilities, builders, developers, building operators, and experts in building
291.30 design and technology, develop a Sustainable Building 2030 implementation plan that must
291.31 address, at a minimum, the following issues:

291.32 (1) training architects to incorporate the performance standards in building design;
292.1 (2) incorporating the performance standards in utility conservation improvement
292.2 programs; and
292.3 (3) developing procedures for ongoing monitoring of energy use in buildings that have
292.4 adopted the performance standards.

292.5 The plan must be submitted to the chairs and ranking minority members of the senate and
292.6 house of representatives committees with primary jurisdiction over energy policy by July
292.7 1, 2009.

292.8 (c) Sustainable Building 2030 energy-efficiency performance standards must be firm,
292.9 quantitative measures of total building energy use and associated carbon dioxide emissions
292.10 per square foot for different building types and uses, that allow for accurate determinations
292.11 of a building's conformance with a performance standard. Performance standards must
292.12 address energy use by electric vehicle charging infrastructure in or adjacent to buildings as
292.13 that infrastructure begins to be made widely available. The energy-efficiency performance
292.14 standards must be updated every three or five years to incorporate all cost-effective measures.
292.15 The performance standards must reflect the reductions in carbon dioxide emissions per
292.16 square foot resulting from actions taken by utilities to comply with the renewable energy

98.16 ~~(e)~~(g) The costs and benefits associated with any approved low-income gas or electric
98.17 conservation improvement program that is not cost-effective when considering the costs
98.18 and benefits to the utility may, at the discretion of the utility, be excluded from the calculation
98.19 of net economic benefits for purposes of calculating the financial incentive to the utility.
98.20 The energy and demand savings may, at the discretion of the utility, be applied toward the
98.21 calculation of overall portfolio energy and demand savings for purposes of determining
98.22 progress toward annual goals and in the financial incentive mechanism.

292.17 standards in section 216B.1691. The performance standards should be designed to achieve
292.18 reductions equivalent to the following reduction schedule, measured against energy
292.19 consumption by an average building in each applicable building sector in 2003: (1) 60
292.20 percent in 2010; (2) 70 percent in 2015; (3) 80 percent in 2020; and (4) 90 percent in 2025.
292.21 A performance standard must not be established or increased absent a conclusive engineering
292.22 analysis that it is cost-effective based upon established practices used in evaluating utility
292.23 conservation improvement programs.

292.24 (d) The annual amount of the contract with the Center for Sustainable Building Research
292.25 is up to \$500,000. The Center for Sustainable Building Research shall expend no more than
292.26 \$150,000 of this amount each year on administration, coordination, and oversight activities
292.27 related to Sustainable Building 2030. Up to an additional \$150,000 of this amount may be
292.28 used by the Center for Sustainable Building Research to provide technical assistance to
292.29 local jurisdictions that adopt a voluntary stretch code under section 326B.106, subdivision
292.30 16, that conforms to Sustainable Building 2030. The balance of contract funds must be spent
292.31 on substantive programmatic activities allowed under this subdivision that may be conducted
292.32 by the Center for Sustainable Building Research and others, and for subcontracts with
292.33 not-for-profit energy organizations, architecture and engineering firms, and other qualified
292.34 entities to undertake technical projects and activities in support of Sustainable Building
292.35 2030. The primary work to be accomplished each year by qualified technical experts under
293.1 subcontracts is the development and thorough justification of recommendations for specific
293.2 energy-efficiency performance standards. Additional work may include:

293.3 (1) research, development, and demonstration of new energy-efficiency technologies
293.4 and techniques suitable for commercial, industrial, and institutional buildings;

293.5 (2) analysis and evaluation of practices in building design, construction, commissioning
293.6 and operations, and analysis and evaluation of energy use in the commercial, industrial, and
293.7 institutional sectors;

293.8 (3) analysis and evaluation of the effectiveness and cost-effectiveness of Sustainable
293.9 Building 2030 performance standards, conservation improvement programs, and building
293.10 energy codes;

293.11 (4) development and delivery of training programs for architects, engineers,
293.12 commissioning agents, technicians, contractors, equipment suppliers, developers, and others
293.13 in the building industries; and

293.14 (5) analysis and evaluation of the effect of building operations on energy use.

293.15 (e) The commissioner shall require utilities to develop and implement conservation
293.16 improvement programs that are expressly designed to achieve energy efficiency goals
293.17 consistent with the Sustainable Building 2030 performance standards. These programs must
293.18 include offerings of design assistance and modeling, financial incentives, and the verification
293.19 of the proper installation of energy-efficient design components in new and substantially
293.20 reconstructed buildings. The programs must be available to customers in local jurisdictions

293.21 that adopt a voluntary stretch code under section 326B.106, subdivision 16. A utility's design
293.22 assistance program must consider the strategic planting of trees and shrubs around buildings
293.23 as an energy conservation strategy for the designed project. A utility making an expenditure
293.24 under its conservation improvement program that results in a building meeting the Sustainable
293.25 Building 2030 performance standards may claim the energy savings toward its energy-savings
293.26 goal established in subdivision 1c.

293.27 (f) The commissioner shall report to the legislature every three years, beginning January
293.28 15, 2010, on the cost-effectiveness and progress of implementing the Sustainable Building
293.29 2030 performance standards and shall make recommendations on the need to continue the
293.30 program as described in this section.

294.1 Sec. 29. Minnesota Statutes 2018, section 216B.241, is amended by adding a subdivision
294.2 to read:

294.3 **Subd. 11. Programs for efficient fuel-switching improvements and load**
294.4 **management.** (a) A public utility subject to this section may include in its plan required
294.5 under subdivision 2 programs for (1) efficient fuel-switching improvements and load
294.6 management, or (2) combinations of energy conservation improvements, fuel-switching
294.7 improvements, and load management. For each program, the utility must provide proposed
294.8 budgets, cost-effectiveness analyses, and estimated net energy and demand savings.

294.9 (b) The department may approve proposed programs for efficient fuel-switching
294.10 improvements if it finds the improvements meet the requirements of paragraph (e). For
294.11 improvements requiring the deployment of electric technologies, the department must also
294.12 consider whether the fuel-switching improvement can be operated in a manner that facilitates
294.13 the integration of variable renewable energy into the electric system. The net benefits from
294.14 an efficient fuel-switching improvement that is integrated with an energy efficiency program
294.15 approved under this section may be counted toward the net benefits of the energy efficiency
294.16 program, provided the department finds the primary purpose and effect of the program is
294.17 energy efficiency.

294.18 (c) The department may approve a proposed program in load management if it finds the
294.19 program investment is cost-effective after considering the costs and benefits of the proposed
294.20 investment to ratepayers, the utility, participants, and society. The net benefits from a load
294.21 management activity that is integrated with an energy efficiency program approved under
294.22 this section may be counted toward the net benefits of the energy efficiency program,
294.23 provided the department finds the primary purpose and effect of the program is energy
294.24 efficiency.

294.25 (d) The commission may permit a public utility to file rate schedules that provide for
294.26 annual cost recovery for efficient fuel-switching improvements and cost-effective load
294.27 management programs approved by the department, including reasonable and prudent costs
294.28 to implement and promote programs approved under this subdivision. The commission may
294.29 approve, modify, or reject a proposal made by the department or a utility for an incentive
294.30 plan to encourage investments in load management programs, applying the considerations

294.31 established under section 216B.16, subdivision 6c, paragraphs (b) and (c). The commission
294.32 must not approve a financial incentive to encourage efficient fuel-switching programs. The
294.33 commission may structure an incentive plan to encourage cost-effective load management
294.34 programs as a regulatory asset on which a public utility could earn a rate of return. A utility
295.1 is not eligible for a financial incentive under this subdivision in any year the utility or
295.2 association does not achieve its minimum energy-savings goal.

295.3 (e) A fuel-switching improvement is deemed efficient if the commissioner finds the
295.4 improvement, relative to the fuel that is being displaced, meets the following criteria:

295.5 (1) results in a net reduction in the cost and amount of source energy consumed for a
295.6 particular use, measured on a fuel-neutral basis;

295.7 (2) results in a net reduction of statewide greenhouse gas emissions as defined in section
295.8 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching
295.9 improvement installed by an electric utility, the change in emissions must be measured
295.10 based on the hourly emission profile of the electric utility, using the hourly emissions profile
295.11 in the most recent resource plan approved by the commission under section 216B.2422;

295.12 (3) is cost-effective from a societal perspective, considering the costs associated with
295.13 both the old and replacement fuels; and

295.14 (4) is installed and operated in a manner that does not unduly increase the utility's system
295.15 peak demand or require significant new investment in utility infrastructure.

295.16 Sec. 30. Minnesota Statutes 2018, section 216B.2422, subdivision 1, is amended to read:

295.17 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
295.18 subdivision have the meanings given them.

295.19 (b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more
295.20 of electric power and serving, either directly or indirectly, the needs of 10,000 retail
295.21 customers in Minnesota. Utility does not include federal power agencies.

295.22 (c) "Renewable energy" means electricity generated through use of any of the following
295.23 resources:

- 295.24 (1) wind;
- 295.25 (2) solar;
- 295.26 (3) geothermal;
- 295.27 (4) hydro;
- 295.28 (5) trees or other vegetation;
- 295.29 (6) landfill gas; or

108.28 Sec. 4. Minnesota Statutes 2018, section 216B.2422, subdivision 1, is amended to read:

108.29 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
108.30 subdivision have the meanings given them.

109.1 (b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more
109.2 of electric power and serving, either directly or indirectly, the needs of 10,000 retail
109.3 customers in Minnesota. Utility does not include federal power agencies.

109.4 (c) "Renewable energy" means electricity generated through use of any of the following
109.5 resources:

- 109.6 (1) wind;
- 109.7 (2) solar;
- 109.8 (3) geothermal;
- 109.9 (4) hydro;
- 109.10 (5) trees or other vegetation;
- 109.11 (6) landfill gas; or

296.1 (7) predominantly organic components of wastewater effluent, sludge, or related
296.2 by-products from publicly owned treatment works, but not including incineration of
296.3 wastewater sludge.

296.4 (d) "Resource plan" means a set of resource options that a utility could use to meet the
296.5 service needs of its customers over a forecast period, including an explanation of the supply
296.6 and demand circumstances under which, and the extent to which, each resource option
296.7 would be used to meet those service needs. These resource options include using,
296.8 refurbishing, and constructing utility plant and equipment, buying power generated by other
296.9 entities, controlling customer loads, and implementing customer energy conservation.

296.10 (e) "Refurbish" means to rebuild or substantially modify an existing electricity generating
296.11 resource of 30 megawatts or greater.

296.12 (f) "Clean energy resource" means renewable energy, an energy storage system, energy
296.13 efficiency, as defined in section 216B.2402, paragraph (g), or load management, as defined
296.14 in section 216B.2402, paragraph (o).

296.15 (g) "Carbon-free resource" means a generation technology that, when operating, does
296.16 not contribute to statewide greenhouse gas emissions, as defined in section 216H.01,
296.17 subdivision 2. Carbon-free resource does not include a nuclear-powered electric generation
296.18 facility operating in Minnesota on the effective date of this act.

296.19 (h) "Energy storage system" means a commercially available technology that:

296.20 (1) uses mechanical, chemical, or thermal processes to:

296.21 (i) store energy and deliver the stored energy for use at a later time; or

296.22 (ii) store thermal energy for direct use for heating or cooling at a later time in a manner
296.23 that reduces the demand for energy at the later time;

296.24 (2) if being used for electric grid benefits, is:

296.25 (i) operationally visible to the distribution or transmission entity managing it; and

296.26 (ii) capable of being controlled by the distribution or transmission entity to enable and
296.27 optimize the safe and reliable operation of the electric system; and

296.28 (3) achieves any of the following:

296.29 (i) reduces peak electrical demand;

109.12 (7) predominantly organic components of wastewater effluent, sludge, or related
109.13 by-products from publicly owned treatment works, but not including incineration of
109.14 wastewater sludge.

109.15 (d) "Resource plan" means a set of resource options that a utility could use to meet the
109.16 service needs of its customers over a forecast period, including an explanation of the supply
109.17 and demand circumstances under which, and the extent to which, each resource option
109.18 would be used to meet those service needs. These resource options include using,
109.19 refurbishing, and constructing utility plant and equipment, buying power generated by other
109.20 entities, controlling customer loads, and implementing customer energy conservation.

109.21 (e) "Refurbish" means to rebuild or substantially modify an existing electricity generating
109.22 resource of 30 megawatts or greater.

109.23 (f) "Energy storage system" means a commercially available technology that:

109.24 (1) uses mechanical, chemical, or thermal processes to:

109.25 (i) store energy, including energy generated from renewable resources and energy that
109.26 would otherwise be wasted, and deliver the stored energy for use at a later time; or

109.27 (ii) store thermal energy for direct use for heating or cooling at a later time in a manner
109.28 that reduces the demand for electricity at the later time;

109.29 (2) is composed of stationary equipment;

110.1 (3) if being used for electric grid benefits, is operationally visible and capable of being

110.2 controlled by the distribution or transmission entity managing it, to enable and optimize the
110.3 safe and reliable operation of the electric system; and

110.4 (4) achieves any of the following:

110.5 (i) reduces peak or electrical demand;

296.30 (ii) defers the need or substitutes for an investment in electric generation, transmission,
 296.31 or distribution assets;
 297.1 (iii) improves the reliable operation of the electrical transmission or distribution systems;
 297.2 or
 297.3 (iv) lowers customer costs by storing energy when the cost of generating or purchasing
 297.4 energy is low and delivering energy to customers when costs are high.
 297.5 (i) "Nonrenewable energy facility" means a generation facility, other than a nuclear
 297.6 facility, that does not use a renewable energy or other clean energy resource.
 297.7 (j) "Local job impacts" means the impacts of an integrated resource plan, a certificate
 297.8 of need, a power purchase agreement, or commission approval of a new or refurbished
 297.9 electric generation facility on the availability of high-quality construction and mining
 297.10 employment opportunities for local workers.
 297.11 (k) "Local workers" means workers employed to construct and maintain energy
 297.12 infrastructure, or employed in a mining industry, that are Minnesota residents, residents of
 297.13 the utility's service territory, or who permanently reside within 150 miles of a proposed new
 297.14 or refurbished energy facility.

297.15 Sec. 31. Minnesota Statutes 2018, section 216B.2422, subdivision 2, is amended to read:

297.16 Subd. 2. **Resource plan filing and approval.** (a) A utility shall file a resource plan with
 297.17 the commission periodically in accordance with rules adopted by the commission. The
 297.18 commission shall approve, reject, or modify the plan of a public utility, as defined in section
 297.19 216B.02, subdivision 4, consistent with the public interest.

297.20 (b) In the resource plan proceedings of all other utilities, the commission's order shall
 297.21 be advisory and the order's findings and conclusions shall constitute prima facie evidence
 297.22 which may be rebutted by substantial evidence in all other proceedings. With respect to
 297.23 utilities other than those defined in section 216B.02, subdivision 4, the commission shall
 297.24 consider the filing requirements and decisions in any comparable proceedings in another
 297.25 jurisdiction.

297.26 (c) As a part of its resource plan filing, a utility shall include the least cost plan for
 297.27 meeting 50 ~~and~~ 75, and 100 percent of all energy needs from both new and refurbished
 297.28 generating facilities through a combination of conservation clean energy and renewable
 297.29 energy carbon-free resources.

297.30 Sec. 32. Minnesota Statutes 2018, section 216B.2422, subdivision 3, is amended to read:

297.31 Subd. 3. **Environmental costs.** (a) The commission shall, to the extent practicable,
 297.32 quantify and establish a range of environmental costs associated with each method of

110.6 (ii) defers the need or substitutes for an investment in electric generation, transmission,
 110.7 or distribution assets;
 110.8 (iii) improves the reliable operation of the electrical transmission or distribution systems,
 110.9 while ensuring transmission or distribution needs are not created; or
 110.10 (iv) lowers customer costs by storing energy when the cost of generating or purchasing
 110.11 it is low and delivering it to customers when those costs are high.

110.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

298.1 electricity generation. A utility shall use the values established by the commission in
298.2 conjunction with other external factors, including socioeconomic costs, when evaluating
298.3 and selecting resource options in all proceedings before the commission, including power
298.4 purchase agreement, resource plan, and certificate of need proceedings. When evaluating
298.5 resource options, the commission must include and consider the environmental cost values
298.6 adopted under this subdivision. When considering the costs of a nonrenewable energy
298.7 facility under this section, the commission must consider only nonzero values for the
298.8 environmental costs that must be analyzed under this subdivision, including both the low
298.9 and high values of any cost range adopted by the commission.

298.10 (b) The commission shall establish interim environmental cost values associated with
298.11 each method of electricity generation by March 1, 1994. These values expire on the date
298.12 the commission establishes environmental cost values under paragraph (a).

298.13 Sec. 33. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision
298.14 to read:

298.15 Subd. 3a. **Favored electricity resources; state policy.** It is the policy of the state that,
298.16 in order to hasten the achievement of the greenhouse gas reduction goals under section
298.17 216H.02, the renewable energy standard under section 216B.1691, subdivision 2a, and the
298.18 solar energy standard under section 216B.1691, subdivision 2f, and given the significant
298.19 and continuing reductions in the cost of wind technologies, solar technologies, energy
298.20 storage systems, and demand-response technologies, the favored method to meet electricity
298.21 demand in Minnesota is a combination of clean energy resources.

298.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

298.23 Sec. 34. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision
298.24 to read:

298.25 Subd. 3b. **Nonrenewable energy facility; required analysis.** (a) In its application
298.26 requesting commission approval of the construction, refurbishing, or purchase of energy or
298.27 capacity from a nonrenewable energy facility in an integrated resource plan, a power purchase
298.28 agreement, or any other proceeding, a utility must include, at a minimum, the information
298.29 required under this subdivision.

298.30 (b) A utility must include plans to meet 50, 75, and 100 percent of the energy or capacity
298.31 provided by the proposed nonrenewable energy facility using the least costly combination
298.32 of clean energy and carbon-free resources.

299.1 (c) When analyzing costs under this subdivision, a utility must include the environmental
299.2 costs most recently adopted by the commission for carbon dioxide emissions and criteria
299.3 air pollutants, and socioeconomic costs required under subdivision 3, using both the low
299.4 and high ends of any cost range adopted by the commission. When considering the costs
299.5 of a nonrenewable energy facility under this section, the commission must consider only

299.6 nonzero values for the environmental costs that must be analyzed under subdivision 3,
299.7 including both the low and high values of any cost range adopted by the commission.

299.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

299.9 Sec. 35. Minnesota Statutes 2018, section 216B.2422, subdivision 4, is amended to read:

299.10 Subd. 4. Preference for ~~renewable energy facility~~ clean energy resources. (a) In order
299.11 to achieve the greenhouse gas reduction goals under section 216H.02, and the carbon-free
299.12 standard under section 216B.1691, the commission shall not approve a new or refurbished
299.13 nonrenewable energy facility in an integrated resource plan or a certificate of need, pursuant
299.14 to under section 216B.243; or in any proceeding in which a utility seeks to construct an
299.15 electric generating facility or procure electricity or capacity, nor shall the commission
299.16 approve a power purchase agreement for power with a nonrenewable energy facility, or
299.17 allow rate recovery pursuant to under section 216B.16 for such a nonrenewable energy
299.18 facility, unless the utility has demonstrated by clear and convincing evidence that a renewable
299.19 energy facility, alone or in combination with other clean energy resources, is not in the
299.20 public interest. When making the public interest determination, the commission must
299.21 consider:

299.22 (1) whether the resource plan helps the utility achieve the greenhouse gas reduction
299.23 goals under section 216H.02, the renewable energy standard under section 216B.1691, or
299.24 the solar energy standard under section 216B.1691, subdivision 2;

299.25 (2) impacts on local and regional grid reliability;

299.26 (3) utility and ratepayer impacts resulting from the intermittent nature of renewable
299.27 energy facilities, including but not limited to the costs of purchasing wholesale electricity
299.28 in the market and the costs of providing ancillary services; and

299.29 (4) utility and ratepayer impacts resulting from reduced exposure to fuel price volatility,
299.30 changes in transmission costs, portfolio diversification, and environmental compliance
299.31 costs.

299.32 (b) In order to find that a renewable energy facility, alone or in combination with other
299.33 clean energy resources, is not in the public interest, the commission must find by clear and
300.1 convincing evidence that utilizing renewable or clean energy resources to meet the need
300.2 for resources cannot be done affordably or reliably.

300.3 (c) To determine affordability, the commission must consider utility and ratepayer effects
300.4 resulting from:

300.5 (1) the intermittent nature of renewable energy facilities, including but not limited to
300.6 the costs to purchase wholesale electricity in the market and the costs to provide ancillary
300.7 services;

300.8 (2) reduced exposure to fuel price volatility, changes in transmission and distribution
300.9 costs, portfolio diversification, and environmental compliance costs; and

300.10 (3) other environmental costs of a nonrenewable energy facility, as determined by the
300.11 commission under subdivision 3.

300.12 (d) To determine reliability, the commission must consider:
300.13 (1) effects on regional grid reliability; and
300.14 (2) the ability of the proposed energy resources or facilities to provide:
300.15 (i) essential reliability services, including frequency response, balancing services, and
300.16 voltage control; and
300.17 (ii) energy and capacity.

300.18 (e) When considering the costs of a nonrenewable energy facility under this section, the
300.19 commission must consider only nonzero values for the environmental costs that must be
300.20 analyzed under subdivision 3, including both the low and high values of any cost range
300.21 adopted by the commission.

300.22 (f) The commission must make a written determination of its findings and conclusions
300.23 regarding affordability and reliability under this subdivision. The commission must also
300.24 make a written determination as to whether the energy resources approved by the
300.25 commission: (1) help the state achieve the greenhouse gas reduction goals under section
300.26 216H.02; and (2) help the utility achieve the renewable energy standard under section
300.27 216B.1691, or the solar energy standard under section 216B.1691, subdivision 2f.

300.28 (g) If the commission approves a resource plan that includes the retirement of a
300.29 nonrenewable energy facility owned by a public utility, the public utility shall own at least
300.30 an amount of the accredited capacity of clean energy resources equal to the percentage of
300.31 the retiring nonrenewable energy facility that remains undepreciated multiplied by the
301.1 accredited capacity of the retiring facility, and owns the transmission and other facilities
301.2 necessary to replace the accredited capacity of the retiring facility, provided:

301.3 (1) the utility demonstrates its ownership of replacement resources is in the public
301.4 interest, considering customer impacts and benefits; and

301.5 (2) the resource plan results in the utility meeting the standards described below:
301.6 (i) for an electric utility that owned a nuclear generating facility as of January 1, 2007,
301.7 at least 85 percent of its electric supply by the year 2030 and thereafter, and 100 percent of
301.8 its electric supply by the year 2045, from resources that do not contribute to statewide
301.9 greenhouse gas emissions, as defined in section 216H.01, subdivision 2; and

301.10 (ii) for an electric utility that did not own a nuclear generating facility as of January 1,
301.11 2007, at least 80 percent of its electric supply by the year 2030 and thereafter, and 100

301.12 percent of its electric supply by the year 2050, from resources that do not contribute to
301.13 statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2.

301.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

301.15 Sec. 36. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision
301.16 to read:

301.17 **Subd. 4a. Preference for local job creation.** As a part of its resource plan filing, a utility
301.18 must report on associated local job impacts and the steps the utility and its energy suppliers
301.19 and contractors are taking to maximize the availability of construction employment
301.20 opportunities for local workers. The commission must consider local job impacts and give
301.21 preference to proposals that maximize the creation of construction employment opportunities
301.22 for local workers, consistent with the public interest, when evaluating any utility proposal
301.23 that involves the selection or construction of facilities used to generate or deliver energy to
301.24 serve the utility's customers, including but not limited to a certificate of need, a power
301.25 purchase agreement, or commission approval of a new or refurbished electric generation
301.26 facility.

301.27 Sec. 37. Minnesota Statutes 2018, section 216B.2422, subdivision 5, is amended to read:

301.28 **Subd. 5. Bidding; exemption from certificate of need proceeding.** (a) A utility may
301.29 select resources to meet its projected energy demand through a bidding process approved
301.30 or established by the commission. A utility shall use the environmental cost estimates
301.31 determined under subdivision 3 and consider local job impacts in evaluating bids submitted
301.32 in a process established under this subdivision.

302.1 (b) Notwithstanding any other provision of this section, if an electric power generating
302.2 plant, as described in section 216B.2421, subdivision 2, clause (1), is selected in a bidding
302.3 process approved or established by the commission, a certificate of need proceeding under
302.4 section 216B.243 is not required.

302.5 (c) A certificate of need proceeding is also not required for an electric power generating
302.6 plant that has been selected in a bidding process approved or established by the commission,
302.7 or such other selection process approved by the commission, to satisfy, in whole or in part,
302.8 the wind power mandate of section 216B.2423 or the biomass mandate of section 216B.2424.

302.9 Sec. 38. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision
302.10 to read:

302.11 **Subd. 7. Energy storage systems assessment.** (a) Each public utility required to file a
302.12 resource plan under subdivision 2 must include in the filing an assessment of energy storage
302.13 systems that analyzes how the deployment of energy storage systems contributes to:

302.14 (1) meeting identified generation and capacity needs; and
302.15 (2) evaluating ancillary services.

110.13 Sec. 5. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision
110.14 to read:

110.15 **Subd. 7. Energy storage systems assessment.** (a) Each public utility required to file a
110.16 resource plan under subdivision 2 must include in the filing an assessment of energy storage
110.17 systems that analyzes how the deployment of energy storage systems contributes to:

110.18 (1) meeting identified generation and capacity needs; and
110.19 (2) evaluating ancillary services.

302.16 (b) The assessment must employ appropriate modeling methods to enable the analysis
302.17 required in paragraph (a).

302.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

302.19 Sec. 39. [216B.2427] ELECTRIC UTILITIES; ANCILLARY SERVICES COST
302.20 REPORT.

302.21 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
302.22 the meanings given.

302.23 (b) "Ancillary services" means services that help maintain the reliability of the electrical
302.24 grid by maintaining the proper flow and direction of electricity, addressing temporary
302.25 imbalances of supply and demand, and helping the electrical grid to recover after a power
302.26 failure. Ancillary services include but are not limited to spinning reserves, nonspinning
302.27 reserves, voltage regulation, load following, and black start capability.

302.28 (c) "Black start capability" means the provision of the initial energy needed to start up
302.29 and begin operation of an electricity generator.

302.30 (d) "Load following" means the matching, within five minutes or less, of electricity
302.31 supply to demand as demand fluctuates.

303.1 (e) "Nonspinning reserves" means electric generation capacity that is not connected to
303.2 the electric grid, but is capable of:

303.3 (1) being connected, ramped to capacity, and synchronized to the electric grid within
303.4 ten minutes; and

303.5 (2) maintaining a specified output level for at least two hours.

303.6 (f) "Spinning reserves" means reserve electric generation capacity that is connected and
303.7 synchronized to the electric grid and can meet electric demand within ten minutes.

303.8 (g) "Voltage regulation" means the maintenance of voltage levels on the electric grid.

303.9 Subd. 2. **Report.** By October 1, 2019, and each April 1 thereafter, each electric utility
303.10 must report to the commission on a form developed by the commission the total cost to
303.11 purchase or self-provide ancillary services throughout the previous calendar year. For each
303.12 type of ancillary service, the utility must report:

303.13 (1) the entity providing the ancillary service;

303.14 (2) the amount, duration, and frequency of the ancillary service provided; and

303.15 (3) the cost to purchase or provide the ancillary service.

303.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

303.17 Sec. 40. Minnesota Statutes 2018, section 216B.243, subdivision 3, is amended to read:

110.20 (b) The assessment must employ appropriate modeling methods to enable the analysis
110.21 required in paragraph (a).

110.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

303.18 Subd. 3. **Showing required for construction.** (a) No proposed large energy facility
303.19 shall be certified for construction unless the applicant can show that demand for electricity
303.20 cannot be met more cost effectively through energy conservation, energy storage, and
303.21 load-management measures and unless the applicant has otherwise justified its need. In
303.22 assessing need, the commission shall evaluate:

303.23 (1) the accuracy of the long-range energy demand forecasts on which the necessity for
303.24 the facility is based;

303.25 (2) the effect of existing or possible energy conservation programs under sections 216C.05
303.26 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

303.27 (3) the relationship of the proposed facility to overall state energy needs, as described
303.28 in the most recent state energy policy and conservation report prepared under section
303.29 216C.18, or, in the case of a high-voltage transmission line, the relationship of the proposed
303.30 line to regional energy needs, as presented in the transmission plan submitted under section
303.31 216B.2425;

304.1 (4) promotional activities that may have given rise to the demand for this facility;

304.2 (5) benefits of this facility, including its uses to protect or enhance environmental quality,
304.3 and to increase reliability of energy supply in Minnesota and the region;

304.4 (6) possible alternatives for satisfying the energy demand or transmission needs including
304.5 but not limited to potential for increased efficiency and upgrading of existing energy
304.6 generation and transmission facilities, energy storage systems, load-management programs,
304.7 and distributed generation;

304.8 (7) the policies, rules, and regulations of other state and federal agencies and local
304.9 governments;

304.10 (8) any feasible combination of energy conservation improvements, required under
304.11 section 216B.241, or energy storage systems that can (i) replace part or all of the energy to
304.12 be provided by the proposed facility, and (ii) compete with it economically;

304.13 (9) with respect to a high-voltage transmission line, the benefits of enhanced regional
304.14 reliability, access, or deliverability to the extent these factors improve the robustness of the
304.15 transmission system or lower costs for electric consumers in Minnesota;

304.16 (10) whether the applicant or applicants are in compliance with applicable provisions
304.17 of sections 216B.1691 and 216B.2425, subdivision 7, and have filed or will file by a date
304.18 certain an application for certificate of need under this section or for certification as a priority
304.19 electric transmission project under section 216B.2425 for any transmission facilities or
304.20 upgrades identified under section 216B.2425, subdivision 7;

304.21 (11) whether the applicant has made the demonstrations required under subdivision 3a;
304.22 and

304.23 (12) if the applicant is proposing a nonrenewable generating plant, the applicant's
304.24 assessment of the risk of environmental costs and regulation on that proposed facility over
304.25 the expected useful life of the plant, including a proposed means of allocating costs associated
304.26 with that risk.

304.27 (b) "Energy storage system" means a commercially available technology that uses
304.28 mechanical, chemical, or thermal processes to:

304.29 (1) store energy and deliver the stored energy for use at a later time; or
304.30 (2) store thermal energy for direct use for heating or cooling at a later time in a manner
304.31 that reduces the demand for electricity at the later time.

304.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

305.1 Sec. 41. Minnesota Statutes 2018, section 216B.243, subdivision 3a, is amended to read:

305.2 Subd. 3a. **Use of renewable nonrenewable resource.** The commission ~~may~~ must not
305.3 issue a certificate of need under this section for a large energy facility that generates electric
305.4 power by means of a nonrenewable energy source, or that transmits electric power generated
305.5 by means of a nonrenewable energy source, unless the applicant for the certificate has
305.6 demonstrated by clear and convincing evidence to the commission's satisfaction ~~under~~
305.7 ~~section 216B.2422, subdivision 4, that it the applicant has explored the possibility of~~
305.8 ~~conducted the analysis required under section 216B.2422, subdivision 3b, regarding~~
305.9 generating power by means of ~~renewable clean energy sources resources~~, as defined in
305.10 ~~section 216B.2422, subdivision 1~~, and has demonstrated that the ~~alternative selected is less~~
305.11 ~~expensive (including environmental costs) than power generated by a renewable energy~~
305.12 ~~source. For purposes of this subdivision, "renewable energy source" includes hydro, wind,~~
305.13 ~~solar, and geothermal energy and the use of trees or other vegetation as fuel. nonrenewable~~
305.14 ~~energy source is in the public interest.~~

305.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

305.16 Sec. 42. [216B.247] BENEFICIAL ELECTRIFICATION.

72.13 Sec. 6. Minnesota Statutes 2018, section 216B.243, subdivision 3b, is amended to read:

72.14 Subd. 3b. **Nuclear power plant; new construction prohibited; relicensing Additional**
72.15 **storage of spent nuclear fuel.** (a) The commission may not issue a certificate of need for
72.16 the construction of a new nuclear-powered electric generating plant.

72.17 (b) Any certificate of need for additional storage of spent nuclear fuel for a facility
72.18 seeking a license extension shall address the impacts of continued operations over the period
72.19 for which approval is sought.

72.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

305.17 (a) It is the goal of the state to promote energy end uses powered by electricity that result
305.18 in a net reduction in greenhouse gas emissions and improvements to public health, consistent
305.19 with the goal established under section 216H.02, subdivision 1.

305.20 (b) To the maximum reasonable extent, the implementation of beneficial electrification
305.21 should prioritize investment and activity in low-income and underresourced communities,
305.22 maintain or improve the quality of electricity service, maximize customer savings, improve
305.23 the integration of renewable and carbon-free resources, and prioritize job creation.

305.24 Sec. 43. [216B.248] PUBLIC UTILITY BENEFICIAL ELECTRIFICATION.

305.25 (a) A public utility may submit to the commission a plan to promote energy end uses
305.26 powered by electricity within its service area. To the maximum reasonable extent, the plans
305.27 must:

305.28 (1) maximize consumer savings over the lifetime of the investment;
305.29 (2) maintain or enhance the reliability of electricity service;
305.30 (3) quantify the acres of land that will be needed for new generation, transmission, and
305.31 distribution facilities to provide the additional electricity required under the plan;

306.1 (4) maintain or enhance public health and safety when temperatures fall below 25 degrees
306.2 below zero Fahrenheit;

306.3 (5) support the integration of renewable and carbon-free resources;
306.4 (6) encourage load shape management and energy storage that reduce overall system
306.5 costs;

306.6 (7) prioritize electrification projects in economically disadvantaged communities; and
306.7 (8) produce a net reduction in greenhouse gas emissions, based on the electricity
306.8 generation portfolio of the public utility proposing the plan either over the lifetime of the
306.9 conversion or by 2050, whichever is sooner.

306.10 (b) The commission must approve, reject, or modify the public utility's plan, consistent
306.11 with the public interest. Plans approved by the commission under this subdivision are eligible
306.12 for cost recovery under section 216B.1645.

306.13 Sec. 44. [216B.515] UTILITY DIVERSITY POLICY; REPORT.

306.14 (a) Each utility authorized to do business in Minnesota must establish a workplace and
306.15 supplier diversity policy that (1) articulates the utility's workplace and supplier diversity
306.16 goals, and (2) describes the efforts the utility commits to take to increase workplace and
306.17 supplier diversity. The policy must also include a list of certifications the utility recognizes
306.18 and a point of contact for a potential employee or vendor that wishes to work for or do
306.19 business with the utility.

306.20 (b) Beginning March 15, 2021, and each March 15 thereafter, each utility authorized to
306.21 do business in Minnesota must submit to the commissioner a report that details:

306.22 (1) the utility's workplace and supplier diversity goals;

306.23 (2) the utility's current workforce and supplier diversity representation data, expressed
306.24 numerically and as a percentage;

306.25 (3) efforts taken to increase workplace and supplier diversity; and

306.26 (4) procurement goals and actual spending for female-owned, minority-owned,
306.27 veteran-owned, and small business enterprises during the previous calendar year.

306.28 (c) The goals under paragraph (b), clause (4), must be expressed as a percentage of the
306.29 total work performed by the utility submitting the report. The actual spending for
306.30 female-owned, minority-owned, veteran-owned, and small business enterprises must be
306.31 expressed as a percentage of the total work performed by the utility submitting the report.

242.15 Section 1. Minnesota Statutes 2018, section 216B.62, subdivision 3b, is amended to read:

242.16 Subd. 3b. **Assessment for department regional and national duties.** In addition to
242.17 other assessments in subdivision 3, the department may assess up to \$500,000 per fiscal
242.18 year for performing its duties under section 216A.07, subdivision 3a. The amount in this
242.19 subdivision shall be assessed to energy utilities in proportion to their respective gross
242.20 operating revenues from retail sales of gas or electric service within the state during the last
242.21 calendar year and shall be deposited into an account in the special revenue fund and is
242.22 appropriated to the commissioner of commerce for the purposes of section 216A.07,
242.23 subdivision 3a. An assessment made under this subdivision is not subject to the cap on
242.24 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,
242.25 an "energy utility" means public utilities, generation and transmission cooperative electric
242.26 associations, and municipal power agencies providing natural gas or electric service in the
242.27 state. ~~This subdivision expires June 30, 2018.~~

242.28 **EFFECTIVE DATE.** This section is revived and reenacted retroactively from June 29,
242.29 2018, except that the department is prohibited from making an assessment under this
242.30 subdivision to finance the performance of any duties that occurred between June 30, 2018,
242.31 and the date this section is enacted.

243.1 Sec. 2. [216C.375] SOLAR FOR SCHOOLS PROGRAM.

243.2 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
243.3 the meanings given them.

243.4 (b) "Developer" means an entity that installs a solar energy system on a school building
243.5 awarded a grant under this section.

243.6 (c) "Energy storage system" means a commercially available technology capable of:

110.23 Sec. 6. [216C.375] SOLAR FOR SCHOOLS PROGRAM.

110.24 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216C.376,
110.25 the following terms have the meanings given them.

110.26 (b) "Developer" means an entity that installs a solar energy system on a school building
110.27 that has been awarded a grant under this section.

- 243.7 (1) absorbing and storing electrical energy; and
 243.8 (2) dispatching stored electrical energy at a later time.
- 243.9 (d) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.
- 243.10 (e) "School" means a school that operates as part of an independent or special school
 243.11 district.
- 243.12 (f) "School district" means an independent or special school district.
- 243.13 (g) "Solar energy system" means photovoltaic or solar thermal devices installed alone
 243.14 or in combination with an energy storage system.
- 243.15 Subd. 2. **Establishment; purpose.** A solar for schools program is established in the
 243.16 Department of Commerce. The purpose of the program is to provide grants to (1) stimulate
 243.17 the installation of solar energy systems on or adjacent to school buildings by reducing the
 243.18 cost of solar energy systems, and (2) enable schools to use the solar energy system as a
 243.19 teaching tool that is integrated into the school's curriculum.
- 243.20 Subd. 3. **Establishment of account.** A solar for schools program account is established
 243.21 in the special revenue fund. Money received from the general fund must be transferred to
 243.22 the commissioner of commerce and credited to the account.
- 243.23 Subd. 4. **Expenditures.** (a) Money in the account may be used only:
 243.24 (1) for grant awards made under this section; and
 243.25 (2) to pay the reasonable costs incurred by the department to administer this section.
 243.26 (b) Grant awards made with funds in the account must be used only for grants for solar
 243.27 energy systems installed on or adjacent to school buildings receiving retail electric service
 243.28 from a utility that is not subject to section 116C.779, subdivision 1.
- 243.29 Subd. 5. **Eligible system.** (a) A grant may be awarded to a school under this section
 243.30 only if the solar energy system that is the subject of the grant:
 244.1 (1) is installed on or adjacent to the school building that consumes the electricity generated
 244.2 by the solar energy system, on property within the service territory of the utility currently
 244.3 providing electric service to the school building; and
 244.4 (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the
 244.5 estimated annual electricity consumption of the school building where the solar energy
 244.6 system is installed.
- 110.28 (c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.
- 111.1 (d) "School" means a school that operates as part of an independent or special school
 111.2 district.
- 111.3 (e) "School district" means an independent or special school district.
- 111.4 (f) "Solar energy system" means photovoltaic or solar thermal devices.
- 111.5 Subd. 2. **Establishment; purpose.** A solar for schools program is established in the
 111.6 Department of Commerce. The purpose of the program is to provide grants to stimulate the
 111.7 installation of solar energy systems on or adjacent to school buildings by reducing their
 111.8 cost, and to enable schools to use the solar energy system as a teaching tool that can be
 111.9 integrated into the school's curriculum.
- 111.10 Subd. 3. **Establishment of account.** (a) A solar for schools program account is
 111.11 established in the special revenue fund. Money received from the general fund must be
 111.12 transferred to the commissioner of commerce and credited to the account. Money deposited
 111.13 in the account remains in the account until expended, and does not cancel to the general
 111.14 fund.
 111.15 (b) When a grant is awarded under this section, the commissioner shall reserve the grant
 111.16 amount in the account.
- 111.17 Subd. 4. **Expenditures.** (a) Money in the account may be used only:
 111.18 (1) for grant awards made under this section; and
 111.19 (2) to pay the reasonable costs incurred by the department to administer this section.
 111.20 (b) Grant awards made with funds in the account are to be used only for grants for solar
 111.21 energy systems installed on or adjacent to school buildings receiving retail electric service
 111.22 from a utility that is not subject to section 116C.779, subdivision 1.
- 111.23 Subd. 5. **Eligible system.** (a) A grant may be awarded to a school under this section
 111.24 only if the solar energy system that is the subject of the grant:
 111.25 (1) is installed on or adjacent to the school building that will consume the electricity
 111.26 generated by the solar energy system, on property within the service territory of the utility
 111.27 currently providing electric service to the school building; and
 111.28 (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the
 111.29 estimated annual electricity consumption of the school building at which the solar energy
 111.30 system is proposed to be installed.

244.7 (b) A school district that receives a rebate or other financial incentive under section
244.8 216B.241 for a solar energy system and that demonstrates considerable need for financial
244.9 assistance, as determined by the commissioner, is eligible for a grant under this section for
244.10 the same solar energy system.

244.11 **Subd. 6. Application process.** (a) The commissioner must issue a request for proposals
244.12 to utilities, schools, and developers who wish to apply for a grant under this section on
244.13 behalf of a school.

244.14 (b) A utility or developer must submit an application to the commissioner on behalf of
244.15 a school on a form prescribed by the commissioner. The form must include, at a minimum,
244.16 the following information:

244.17 (1) the capacity of the proposed solar energy system and the amount of electricity that
244.18 is expected to be generated;

244.19 (2) the current energy demand of the school building where the solar energy generating
244.20 system is to be installed and information regarding any distributed energy resource, including
244.21 subscription to a community solar garden, that currently provides electricity to the school
244.22 building;

244.23 (3) the size of any energy storage system that is proposed to be installed as part of a
244.24 solar energy system;

244.25 (4) a description of any solar thermal devices proposed as part of the solar energy system;

244.26 (5) the total cost to purchase and install the solar energy system and its life-cycle cost,
244.27 including the cost to remove and dispose the system at the end of its life;

244.28 (6) a copy of the proposed contract agreement between the school and the public utility
244.29 or developer, including provisions addressing responsibility for maintenance of the solar
244.30 energy system;

245.1 (7) the school's plan to make the solar energy system serve as a visible learning tool for
245.2 students, teachers, and visitors to the school, including how the solar energy system may
245.3 be integrated into the school's curriculum;

245.4 (8) information that demonstrates the school district's level of need for financial assistance
245.5 available under this section;

245.6 (9) information that demonstrates the readiness of the school to implement the project,
245.7 including but not limited to the availability of the site where the solar energy system is to
245.8 be installed, and the level of the school's engagement with the utility providing electric
245.9 service to the school building where the solar energy system is to be installed on issues
245.10 relevant to the implementation of the project, including metering and other issues;

111.31 (b) A school district that receives a rebate or other financial incentive under section
111.32 216B.241 for a solar energy system and that demonstrates considerable need for financial
112.1 assistance, as determined by the commissioner, is eligible for a grant under this section for
112.2 the same solar energy system.

112.3 **Subd. 6. Application process.** (a) The commissioner shall issue a request for proposals
112.4 to utilities, schools, and developers who may wish to apply for a grant under this section
112.5 on behalf of a school.

112.6 (b) A utility or developer must submit an application to the commissioner on behalf of
112.7 a school on a form prescribed by the commissioner. The form must include, at a minimum,
112.8 the following information:

112.9 (1) the capacity of the proposed solar energy system and the amount of electricity that
112.10 is expected to be generated;

112.11 (2) the current energy demand of the school building on which the solar energy generating
112.12 system is to be installed, and information regarding any distributed energy resource, including
112.13 subscription to a community solar garden, that currently provides electricity to the school
112.14 building;

112.15 (3) a description of any solar thermal devices proposed as part of the solar energy system;

112.16 (4) the total cost of purchasing and installing the solar energy system, and its life-cycle
112.17 cost, including removal and disposal of system at the end of its life;

112.18 (5) a copy of the proposed contract agreement between the school and the public utility
112.19 or developer that includes provisions addressing responsibility for maintenance of the solar
112.20 energy system;

112.21 (6) the school's plan to make the solar energy system serve as a visible learning tool for
112.22 students, teachers, and visitors to the school, including how the solar energy system may
112.23 be integrated into the school's curriculum;

112.24 (7) information that demonstrates the level of need of the school district for financial
112.25 assistance available under this section;

112.26 (8) information that demonstrates the readiness of the school to implement the project,
112.27 including, but not limited to, the availability of the site on which the solar energy system
112.28 is to be installed, and the level of the school's engagement with the utility providing electric
112.29 service to the school building on which the solar energy system is to be installed on issues
112.30 relevant to the implementation of the project, including metering and other issues;

245.11 (10) with respect to the installation and operation of the solar energy system, the
 245.12 willingness and ability of the developer or the public utility to:
 245.13 (i) pay employees and contractors a prevailing wage rate, as defined in section 177.42,
 245.14 subdivision 6; and
 245.15 (ii) adhere to the provisions of section 177.43;
 245.16 (11) how the developer or public utility plans to reduce the school's initial capital expense
 245.17 to purchase and install the solar energy system, and to provide financial benefits to the
 245.18 school from the utilization of federal and state tax credits, utility incentives, and other
 245.19 financial incentives; and
 245.20 (12) any other information deemed relevant by the commissioner.
 245.21 (c) The commissioner must administer an open application process under this section
 245.22 at least twice annually.
 245.23 (d) The commissioner must develop administrative procedures governing the application
 245.24 and grant award process.
 245.25 Subd. 7. **Energy conservation review.** At the commissioner's request, a school awarded
 245.26 a grant under this section must provide the commissioner information regarding energy
 245.27 conservation measures implemented at the school building where the solar energy system
 245.28 is to be installed. The commissioner may make recommendations to the school regarding
 245.29 cost-effective conservation measures it can implement, and may provide technical assistance
 245.30 and direct the school to available financial assistance programs.
 245.31 Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to
 245.32 schools to develop and execute projects under this section.
 246.1 Subd. 9. **Grant payments.** The commissioner must award a grant from the account
 246.2 established under subdivision 3 to a school for the necessary costs associated with the
 246.3 purchase and installation of a solar energy system. The amount of the grant must be based
 246.4 on the commissioner's assessment of the school's need for financial assistance.
 246.5 Subd. 10. **Limitations.** (a) No more than 50 percent of the grant payments awarded to
 246.6 schools under this section may be awarded to schools where the proportion of students
 246.7 eligible for free and reduced-price lunch under the National School Lunch Program is less
 246.8 than 50 percent.
 246.9 (b) No more than ten percent of the total amount of grants awarded under this section
 246.10 may be awarded to schools that are part of the same school district.
 246.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

112.31 (9) with respect to the installation and operation of the solar energy system, the
 112.32 willingness and ability of the developer or the public utility to:
 113.1 (i) pay employees and contractors a prevailing wage rate, as defined in section 177.42,
 113.2 subdivision 6; and
 113.3 (ii) adhere to the provisions of section 177.43;
 113.4 (10) how the developer or public utility plans to reduce the school's initial capital expense
 113.5 for the purchase and installation of the solar energy system, and to provide financial benefits
 113.6 to the school from the utilization of federal and state tax credits, utility incentives, and other
 113.7 financial incentives; and
 113.8 (11) any other information deemed relevant by the commissioner.
 113.9 (c) The commissioner shall administer an open application process under this section at
 113.10 least twice annually.
 113.11 (d) The commissioner shall develop administrative procedures governing the application
 113.12 and grant award process.
 113.13 Subd. 7. **Energy conservation review.** At the commissioner's request, a school awarded
 113.14 a grant under this section shall provide the commissioner information regarding energy
 113.15 conservation measures implemented at the school building at which the solar energy system
 113.16 is to be installed. The commissioner may make recommendations to the school regarding
 113.17 cost-effective conservation measures it can implement and may provide technical assistance
 113.18 and direct the school to available financial assistance programs.
 113.19 Subd. 8. **Technical assistance.** The commissioner shall provide technical assistance to
 113.20 schools to develop and execute projects under this section.
 113.21 Subd. 9. **Grant payments.** The commissioner shall award a grant from the account
 113.22 established under subdivision 3 to a school for the necessary costs associated with the
 113.23 purchase and installation of a solar energy system. The amount of the grant shall be based
 113.24 on the commissioner's assessment of the school's need for financial assistance.
 113.25 Subd. 10. **Limitations.** (a) No more than 50 percent of the grant payments awarded to
 113.26 schools under this section may be awarded to schools where the proportion of students
 113.27 eligible for free and reduced-price lunch under the National School Lunch Program is less
 113.28 than 50 percent.
 113.29 (b) No more than ten percent of the total amount of grants awarded under this section
 113.30 may be awarded to schools that are part of the same school district.
 113.31 Subd. 11. **Application deadline.** No application may be submitted under this section
 113.32 after December 31, 2023.
 114.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

307.1 Sec. 45. [216C.376] SOLAR FOR SCHOOLS PROGRAM FOR CERTAIN UTILITY
 307.2 SERVICE TERRITORY.

307.3 Subdivision 1. Establishment; purpose. The utility subject to section 116C.779 must
 307.4 operate a program to develop, and to supplement with additional funding, financial
 307.5 arrangements that allow schools to benefit from state and federal tax and other financial
 307.6 incentives that schools are ineligible to receive directly, in order to enable schools to install
 307.7 and operate solar energy systems that can be used as teaching tools and integrated into the
 307.8 school curriculum.

307.9 Subd. 2. Required plan. (a) By October 1, 2019, the public utility must file a plan for
 307.10 the solar for schools program with the commissioner. The plan must contain but is not
 307.11 limited to the following elements:

307.12 (1) a description of how entities that are eligible to take advantage of state and federal
 307.13 tax and other financial incentives that reduce the cost to purchase, install, and operate a
 307.14 solar energy system that schools are ineligible to take advantage of directly can share a
 307.15 portion of the financial benefits with schools where a solar energy system is proposed to
 307.16 be installed;

307.17 (2) a description of how the public utility intends to use funds appropriated to the program
 307.18 under this section to provide additional financial assistance to schools where a solar energy
 307.19 system is proposed to be installed;

307.20 (3) certification that the financial assistance provided under this section to a school by
 307.21 the public utility must include the full value of the renewable energy certificates associated
 307.22 with the generation of electricity by the solar energy system receiving financial assistance
 307.23 under this section over the lifetime of the solar energy system;

307.24 (4) an estimate of the amount of financial assistance that the public utility provides to a
 307.25 school under clauses (1) to (3) on a per kilowatt-hour produced basis, and the length of time
 307.26 financial assistance is provided;

307.27 (5) certification that the transaction between the public utility and the school for electricity
 307.28 is the buy-all/sell-all method by which the public utility charges the school for all electricity
 307.29 the school consumes at the applicable retail rate schedule for sales to the school based on
 307.30 the school's customer class, and credits or pays the school at the rate established in
 307.31 subdivision 5;

308.1 (6) administrative procedures governing the application and financial benefit award
 308.2 process, and the costs the public utility and the department are projected to incur to administer
 308.3 the program;

308.4 (7) the public utility's proposed process for periodic reevaluation and modification of
 308.5 the program; and

308.6 (8) any additional information required by the commissioner.

114.2 Sec. 7. [216C.376] SOLAR FOR SCHOOLS PROGRAM FOR CERTAIN UTILITY
 114.3 SERVICE TERRITORY.

114.4 Subdivision 1. Establishment; purpose. The utility subject to section 116C.779 shall
 114.5 operate a program to develop, and to supplement with additional funding, financial
 114.6 arrangements that allow schools to benefit from state and federal tax and other financial
 114.7 incentives that schools are ineligible to receive directly in order to enable schools to install
 114.8 and operate solar energy systems that can be used as teaching tools and integrated into the
 114.9 school curriculum.

114.10 Subd. 2. Required plan. (a) By October 1, 2019, the public utility must file a plan for
 114.11 the solar for schools program with the commissioner. The plan must contain but is not
 114.12 limited to the following elements:

114.13 (1) a description of how entities that are eligible to take advantage of state and federal
 114.14 tax and other financial incentives that reduce the cost of purchasing, installing, and operating
 114.15 a solar energy system that schools are ineligible to take advantage of directly, can share a
 114.16 portion of those financial benefits with schools at which a solar energy system will be
 114.17 installed;

114.18 (2) a description of how the public utility will utilize funds appropriated to the program
 114.19 under this section to provide additional financial assistance to schools at which a solar
 114.20 energy system will be installed;

114.21 (3) certification that the financial assistance provided under this section to a school by
 114.22 the public utility must include the full value of the renewable energy certificates associated
 114.23 with the generation of electricity by the solar energy system receiving financial assistance
 114.24 under this section over the lifetime of the solar energy system;

114.25 (4) an estimate of the amount of financial assistance that the public utility will provide
 114.26 to a school under clauses (1) to (3) on a per kilowatt-hour produced basis, and the length
 114.27 of time financial assistance will be provided;

114.28 (5) certification that the transaction between the public utility and the school for electricity
 114.29 is the buy-all/sell-all method by which the public utility will charge the school for all
 114.30 electricity the school consumes at the applicable retail rate schedule for sales to the school
 114.31 based on the school's customer class, and shall credit or pay the school at the rate established
 114.32 in subdivision 5;

115.1 (6) administrative procedures governing the application and financial benefit award
 115.2 process, and the costs the public utility and the department are projected to incur to administer
 115.3 the program;

115.4 (7) the public utility's proposed process for periodic reevaluation and modification of
 115.5 the program; and

115.6 (8) any additional information required by the commissioner.

308.7 (b) The public utility must not implement the program until the commissioner approves
308.8 the public utility's plan submitted under this subdivision. The commissioner must approve
308.9 a plan under this subdivision that the commissioner determines is in the public interest no
308.10 later than December 31, 2019. Any proposed modifications to the plan approved under this
308.11 subdivision must be approved by the commissioner.

308.12 Subd. 3. System eligibility. A solar energy system is eligible to receive financial benefits
308.13 under this section if it meets all of the following conditions:

308.14 (1) the solar energy system must be located on or adjacent to a school building receiving
308.15 retail electric service from the public utility and completely located within the public utility's
308.16 electric service territory, provided that any land situated between the school building and
308.17 the site where the solar energy system is installed is owned by the school district where the
308.18 school building operates;

308.19 (2) any energy storage system that is part of a solar energy system may only store energy
308.20 generated by an existing solar energy system serving the school or the solar energy system
308.21 receiving financial assistance under this section; and

308.22 (3) the total aggregate nameplate capacity of all distributed generation serving the school
308.23 building, including any subscriptions to a community solar garden under section 216B.1641,
308.24 does not exceed the lesser of one megawatt alternating current or 120 percent of the school
308.25 building's average annual electric energy consumption.

308.26 Subd. 4. Application process. (a) A school seeking financial assistance under this section
308.27 must submit an application to the public utility, including a plan for how the school plans
308.28 to use the solar energy system as a visible learning tool for students, teachers, and visitors
308.29 to the school, and how the solar energy system may be integrated into the school's curriculum.

308.30 (b) The public utility must award financial assistance under this section on a first-come,
308.31 first-served basis.

309.1 (c) The public utility must discontinue accepting applications under this section after
309.2 all funds appropriated under subdivision 5 are allocated to program participants, including
309.3 funds from canceled projects.

309.4 Subd. 5. Benefits information. Before signing an agreement with the public utility to
309.5 receive financial assistance under this section, a school must obtain from the developer and
309.6 provide to the public utility information the developer shared with potential investors in the
309.7 project regarding future financial benefits to be realized from installation of a solar energy
309.8 system at the school, and potential financial risks.

309.9 Subd. 6. Purchase rate; cost recovery; renewable energy credits. (a) The public utility
309.10 must purchase all of the electricity generated by a solar energy system receiving financial
309.11 assistance under this section at a rate of \$0.105 per kilowatt-hour generated.

115.7 (b) The public utility may not implement the program until the commissioner approves
115.8 the public utility's plan submitted under this subdivision. The commissioner shall approve
115.9 a plan under this subdivision that the commissioner determines to be in the public interest
115.10 no later than December 31, 2019. Any proposed modifications to the plan approved under
115.11 this subdivision must be approved by the commissioner.

115.12 Subd. 3. System eligibility. A solar energy system is eligible to receive financial benefits
115.13 under this section if it meets all of the following conditions:

115.14 (1) the solar energy system must be located on or adjacent to a school building receiving
115.15 retail electric service from the public utility and completely located within the public utility's
115.16 electric service territory, provided that any land situated between the school building and
115.17 the site where the solar energy system is installed is owned by the school district in which
115.18 the school building operates; and

115.19 (2) the total aggregate nameplate capacity of all distributed generation serving the school
115.20 building, including any subscriptions to a community solar garden under section 216B.1641,
115.21 may not exceed the lesser of one megawatt (alternating current) or 120 percent of the average
115.22 annual electric energy consumption of the school building.

115.23 Subd. 4. Application process. (a) A school seeking financial assistance under this section
115.24 must submit an application to the public utility, including a plan for how the school will
115.25 use the solar energy system as a visible learning tool for students, teachers, and visitors to
115.26 the school, and how the solar energy system may be integrated into the school's curriculum.

115.27 (b) The public utility shall award financial assistance under this section on a first-come,
115.28 first-served basis.

115.29 (c) The public utility shall discontinue accepting applications under this section after all
115.30 funds appropriated under subdivision 5 are allocated to program participants, including
115.31 funds from canceled projects.

115.32 Subd. 5. Benefits information. Before signing an agreement with the public utility to
115.33 receive financial assistance under this section, a school must obtain from the developer and
116.1 provide to the public utility information the developer shared with potential investors in the
116.2 project regarding future financial benefits to be realized from installation of a solar energy
116.3 system at the school, and potential financial risks.

116.4 Subd. 6. Purchase rate; cost recovery; renewable energy credits. (a) The public utility
116.5 shall purchase all of the electricity generated by a solar energy system receiving financial
116.6 assistance under this section at a rate of \$.105 per kilowatt-hour generated.

309.12 (b) Payments by the public utility of the rate established under this subdivision to a
 309.13 school receiving financial assistance under this section are fully recoverable by the public
 309.14 utility through the public utility's fuel clause adjustment.

309.15 (c) The renewable energy credits associated with the electricity generated by a solar
 309.16 energy system installed under this section are the property of the public utility that is subject
 309.17 to this section.

309.18 Subd. 7. **Limitation.** (a) No more than 50 percent of the financial assistance provided
 309.19 by the public utility to schools under this section may be provided to schools where the
 309.20 proportion of students eligible for free and reduced-price lunch under the National School
 309.21 Lunch Program is less than 50 percent.

309.22 (b) No more than ten percent of the total amount of financial assistance provided by the
 309.23 public utility to schools under this section may be provided to schools that are part of the
 309.24 same school district.

309.25 Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to
 309.26 schools to develop and execute projects under this section.

309.27 Subd. 9. **Application deadline.** No application may be submitted under this section
 309.28 after December 31, 2023.

309.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

309.30 Sec. 46. [216C.401] ELECTRIC VEHICLE REBATES.

309.31 Subdivision 1. **Definition.** (a) For the purposes of this section, the following terms have
 309.32 the meanings given.

310.1 (b) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a,
 310.2 paragraphs (a) and (b), clause (3).

310.3 (c) "New eligible electric vehicle" means an eligible electric vehicle that has not been
 310.4 registered in any state.

310.5 (d) "Used eligible electric vehicle" means an eligible electric vehicle that has previously
 310.6 been registered in a state.

310.7 Subd. 2. **Eligibility.** The purchaser of an electric vehicle is eligible for a rebate, subject
 310.8 to the amounts and limits in subdivisions 3 and 4, if:

310.9 (1) the electric vehicle:

310.10 (i) has not been modified from the original manufacturer's specifications; and

310.11 (ii) is purchased after the effective date of this act for use by the purchaser and not for
 310.12 resale;

116.7 (b) Payments by the public utility of the rate established under this subdivision to a
 116.8 school receiving financial assistance under this section are fully recoverable by the public
 116.9 utility through the public utility's fuel clause adjustment.

116.10 (c) The renewable energy credits associated with the electricity generated by a solar
 116.11 energy system installed under this section are the property of the public utility that is subject
 116.12 to this section.

116.13 Subd. 7. **Limitation.** (a) No more than 50 percent of the financial assistance provided
 116.14 by the public utility to schools under this section may be provided to schools where the
 116.15 proportion of students eligible for free and reduced-price lunch under the National School
 116.16 Lunch Program is less than 50 percent.

116.17 (b) No more than ten percent of the total amount of financial assistance provided by the
 116.18 public utility to schools under this section may be provided to schools that are part of the
 116.19 same school district.

116.20 Subd. 8. **Technical assistance.** The commissioner shall provide technical assistance to
 116.21 schools to develop and execute projects under this section.

116.22 Subd. 9. **Application deadline.** No application may be submitted under this section
 116.23 after December 31, 2023.

116.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

310.13 (2) the purchaser:

310.14 (i) is a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a),
310.15 when the electric vehicle is purchased;

310.16 (ii) is a business that has a valid address in Minnesota from which business is conducted;

310.17 (iii) is a nonprofit corporation incorporated under chapter 317A; or

310.18 (iv) is a political subdivision of the state; and

310.19 (3) the purchaser:

310.20 (i) has not received a rebate or tax credit for the purchase of an electric vehicle from
310.21 Minnesota; and

310.22 (ii) registers the electric vehicle in Minnesota.

310.23 Subd. 3. Rebate amounts. (a) A \$2,500 rebate may be issued under this section to an
310.24 eligible purchaser for the purchase of a new eligible electric vehicle.

310.25 (b) A \$500 rebate may be issued under this section to an eligible purchaser for the
310.26 purchase of a used eligible electric vehicle, provided the electric vehicle has not previously
310.27 been registered in Minnesota.

310.28 Subd. 4. Limits. (a) The number of rebates allowed under this section are limited to:

310.29 (1) no more than one rebate per resident per household; and

310.30 (2) no more than one rebate per business entity per year.

311.1 (b) A rebate must not be issued under this section for an electric vehicle with a
311.2 manufacturer's suggested retail price that exceeds \$60,000.

311.3 Subd. 5. Program administration. (a) Rebate applications under this section must be
311.4 filed with the commissioner on a form developed by the commissioner.

311.5 (b) The commissioner must develop administrative procedures governing the application
311.6 and rebate award process. Applications must be reviewed and rebates awarded by the
311.7 commissioner on a first-come, first-served basis.

311.8 (c) The commissioner may reduce the rebate amounts provided under subdivision 3 or
311.9 restrict program eligibility based on fund availability or other factors.

311.10 Subd. 6. Expiration. This section expires June 30, 2024.

311.11 Sec. 47. [216C.402] ELECTRIC VEHICLE PUBLIC CHARGING GRANT
311.12 PROGRAM.

311.13 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
311.14 the meanings given.

311.15 (b) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

311.16 (c) "Electric vehicle charging station" means infrastructure that recharges an electric
311.17 vehicle's batteries by connecting the electric vehicle to:

311.18 (1) a level two charger that provides a 208- or 240-volt alternating current power source;
311.19 or

311.20 (2) a DC fast charger that has an electric output of 20 kilowatts or greater.

311.21 (d) "Park-and-ride facility" has the meaning given in section 174.256, subdivision 2,
311.22 paragraph (b).

311.23 (e) "Public electric vehicle charging station" means an electric charging station located
311.24 at a publicly available parking space.

311.25 Subd. 2. Program. (a) The commissioner must award grants to help fund the installation
311.26 of a network of public electric vehicle charging stations in Minnesota, including locations
311.27 in state and regional parks, trailheads, and park-and-ride facilities. The commissioner must
311.28 issue a request for proposals to entities that have experience installing, owning, operating,
311.29 and maintaining electric vehicle charging stations. The request for proposal must establish
311.30 technical specifications that electric vehicle charging stations are required to meet.

312.1 (b) The commissioner must consult with the commissioner of natural resources to develop
312.2 optimal locations for electric vehicle charging stations in state and regional parks, and with
312.3 the commissioner of transportation to develop optimal locations for electric vehicle charging
312.4 stations at park-and-ride facilities.

312.5 Subd. 3. Electricity supplier. Electricity dispensed from an electric vehicle charging
312.6 station funded under this act must be purchased from the public utility subject to section
312.7 116C.779, subdivision 1.

312.8 Subd. 4. Electricity charging payment. Payment for the full cost of electricity dispensed
312.9 from an electric vehicle charging station whose installation was assisted with a state grant
312.10 or state funds is the responsibility of the owner or driver of the electric vehicle whose battery
312.11 is being recharged.

312.12 EFFECTIVE DATE. This section is effective the day following final enactment.

246.12 Sec. 3. [216C.403] ELECTRIC VEHICLE PUBLIC CHARGING STATION GRANT
246.13 PROGRAM.

246.14 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
246.15 the meanings given.

246.16 (b) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

246.17 (c) "Electric vehicle charging station" means infrastructure that recharges an electric
246.18 vehicle's batteries by connecting the electric vehicle to:

246.19 (1) a level two charger that provides a 208- or 240-volt alternating current power source;

246.20 or

246.21 (2) a DC fast charger that has an electric output of 20 kilowatts or greater.

246.22 (d) "Park-and-ride facility" has the meaning given in section 174.256, subdivision 2,
246.23 paragraph (b).

246.24 (e) "Public electric vehicle charging station" means an electric vehicle charging station
246.25 located at a publicly available parking space.

246.26 Subd. 2. **Program.** (a) The commissioner must award grants to help fund the installation
246.27 of a network of public electric vehicle charging stations in areas located outside the retail
246.28 electric service area of the public utility subject to section 116C.779, subdivision 1, including
246.29 locations in state and regional parks, trailheads, and park-and-ride facilities. The
246.30 commissioner must issue a request for proposals to entities that have experience installing,
246.31 owning, operating, and maintaining electric vehicle charging stations. The request for
247.1 proposal must establish technical specifications that electric vehicle charging stations are
247.2 required to meet.

247.3 (b) The commissioner must consult with (1) the commissioner of natural resources to
247.4 develop optimal locations for electric vehicle charging stations in state and regional parks,
247.5 and (2) the commissioner of transportation to develop optimal locations for electric vehicle
247.6 charging stations at park-and-ride facilities.

247.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

116.25 Sec. 8. [216C.45] ELECTRIC VEHICLE CHARGING STATION REVOLVING
116.26 LOAN PROGRAM.

116.27 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
116.28 subdivision have the meanings given them.

116.29 (b) "Borrower" means the state, counties, cities, other governmental entities, nonprofit
116.30 organizations, and private businesses eligible under this section to apply for and receive
116.31 loans from the electric vehicle charging station revolving loan fund.

116.32 (c) "Commissioner" means the commissioner of commerce.

117.1 (d) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

117.2 (e) "Electric vehicle charging station" means an electric component assembly or cluster
117.3 of component assemblies designed specifically to charge an electric vehicle battery by
117.4 transferring electric energy to a battery or a storage device in the electric vehicle.

117.5 (f) "Loan" means financial assistance provided for all or part of the cost of an electric
117.6 vehicle charging station project, including money for design, development, purchase, or
117.7 installation.

117.8 (g) "Facility load or submetering upgrades" means internal electric load infrastructure,
117.9 load side distribution infrastructure, or submetering installations necessary to provide stable
117.10 additional load needs of a property arising from the installation of electric vehicle charging
117.11 stations.

117.12 Subd. 2. **Revolving loan fund.** The commissioner must establish an electric vehicle
117.13 charging station revolving loan fund to make loans for all or part of the cost of an electric
117.14 vehicle charging station project installed in Minnesota.

117.15 Subd. 3. **Administration.** (a) The commissioner must establish a minimum interest rate
117.16 for loans to ensure that necessary loan administration costs are covered. The minimum
117.17 interest rate must not exceed:

117.18 (1) one percent interest for a loan to a borrower that is the state, other governmental
117.19 entity, or a nonprofit organization; or

117.20 (2) three percent interest for a loan to a borrower that is a private business.

117.21 (b) Loan repayment of principal and loan interest payments must be paid to the department
117.22 for deposit in the revolving loan fund for subsequent distribution or use consistent with the
117.23 requirements under this section.

117.24 (c) When a loan is repaid, 60 percent of the loan repayment must be retained in the
117.25 electric vehicle charging station revolving loan fund. The remaining 40 percent must be
117.26 transferred to the renewable development account under section 116C.779, until the total
117.27 amount transferred to the renewable development account equals \$1,500,000.

117.28 Subd. 4. **Applications.** (a) A loan applicant must submit an application to the
117.29 commissioner on forms prescribed by the commissioner.

117.30 (b) The applicant must provide the following information:

117.31 (1) the estimated cost of the project and the amount of the loan sought;

118.1 (2) other possible sources of funding in addition to loans sought from the electric vehicle
118.2 charging station revolving loan fund;

118.3 (3) the proposed methods and sources of funds to repay loans received; and

118.4 (4) information demonstrating the financial status and ability of the borrower to repay
118.5 loans.

118.6 Subd. 5. Use of loan funds. (a) Loans made with funds from the electric vehicle charging
118.7 station revolving loan fund may be used to design, develop, purchase, and install electric
118.8 vehicle charging stations and for facility load or submetering upgrades at locations in
118.9 Minnesota.

118.10 (b) An electric vehicle charging station project receiving loan funds under this section
118.11 must be available for public use.

118.12 Subd. 6. Evaluation of projects. (a) The commissioner must consider the following
118.13 information when evaluating a project:

118.14 (1) a description of the nature and purpose of the proposed project, including an
118.15 explanation of the need for the project and the reasons why the project is in the public
118.16 interest;

118.17 (2) the relationship of the project to the local area's needs;

118.18 (3) the estimated project cost and the loan amount sought;

118.19 (4) proposed sources of funding in addition to the loan sought from the electric vehicle
118.20 charging station revolving loan fund;

118.21 (5) the need for the project as part of the overall transportation system;

118.22 (6) the overall economic impact of the project; and

118.23 (7) whether a project can demonstrate consistent and high usage rates of the proposed
118.24 electric vehicle charging stations, including the potential for consistent use by the same
118.25 electric vehicle.

118.26 (b) When evaluating projects, the commissioner may consult with the commissioner of
118.27 transportation regarding the electric vehicle charging needs throughout the state.

118.28 (c) When evaluating projects, the commissioner may not provide preference points or
118.29 other application benefits on the basis of a loan applicant being a local or state
118.30 government-owned entity or local unit of government.

119.1 Subd. 7. Maximum loan amount. The maximum loan amount under this section is
119.2 \$30,000 per electric vehicle charging station project.

119.3 Subd. 8. User fees. As a condition of accepting a loan under this section, a borrower
119.4 must agree to charge a per hour user fee for use of an electric vehicle charging station funded
119.5 by the loan. A borrower must use at least 25 percent of the fees collected to repay the loan
119.6 and pay for expenses associated with operating and maintaining the electric vehicle charging
119.7 station funded by the loan.

312.13 Sec. 48. Minnesota Statutes 2018, section 216C.435, subdivision 3a, is amended to read:

312.14 Subd. 3a. **Cost-effective energy improvements.** "Cost-effective energy improvements" mean:

312.16 (1) any new construction, renovation, or retrofitting of:

312.17 ~~(1)~~ qualifying commercial real property to improve energy efficiency that is permanently affixed to the property, results in a net reduction in energy consumption without altering the principal source of energy, and has been identified in an energy audit as repaying the purchase and installation costs in 20 years or less, based on the amount of future energy saved and estimated future energy prices; ~~or~~

312.22 ~~(2)~~ (2) any renovation or retrofitting of qualifying residential real property that is permanently affixed to the property and is eligible to receive an incentive through a program offered by the electric or natural gas utility that provides service under section 216B.241 to the property or is otherwise determined to be a cost-effective energy improvement by the commissioner under section 216B.241, subdivision 1d, paragraph (a);

312.27 ~~(2)~~ (3) permanent installation of new or upgraded electrical circuits and related equipment to enable electrical vehicle charging; or

312.29 ~~(3)~~ (4) a solar voltaic or solar thermal energy system attached to, installed within, or proximate to a building that generates electrical or thermal energy from a renewable energy source that has been identified in an energy audit or renewable energy system feasibility study as repaying their purchase and installation costs in 20 years or less, based on the amount of future energy saved and estimated future energy prices.

313.3 Sec. 49. Minnesota Statutes 2018, section 216C.435, subdivision 8, is amended to read:

313.4 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property" means a multifamily residential dwelling, or a commercial or industrial building, that the implementing entity has determined, after review of an energy audit or renewable energy system feasibility study, can be benefited by installation of cost-effective energy improvements. Qualifying commercial real property includes new construction.

313.9 Sec. 50. Minnesota Statutes 2018, section 216C.436, subdivision 4, is amended to read:

119.8 Subd. 9. **Report to legislature.** On or before March 15, 2020, and each March 15 thereafter, the commissioner must report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over energy and transportation policy and finance regarding the revolving loan program. The report must include (1) a description of the projects and an account of loans made from the revolving loan fund during the preceding calendar year, (2) the revolving loan fund balance, and (3) an explanation of administrative expenses.

119.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

72.21 Sec. 7. Minnesota Statutes 2018, section 216C.435, subdivision 3a, is amended to read:

72.22 Subd. 3a. **Cost-effective energy improvements.** "Cost-effective energy improvements" mean:

72.24 (1) any new construction, renovation, or retrofitting of ~~(1)~~ qualifying commercial real property to improve energy efficiency that is permanently affixed to the property, results in a net reduction in energy consumption without altering the principal source of energy, and has been identified in an energy audit as repaying the purchase and installation costs in 20 years or less, based on the amount of future energy saved and estimated future energy prices; ~~or~~

72.30 ~~(2)~~ (2) any renovation or retrofitting of qualifying residential real property that is permanently affixed to the property and is eligible to receive an incentive through a program offered by the electric or natural gas utility that provides service under section 216B.241 to the property or is otherwise determined to be a cost-effective energy improvement by the commissioner under section 216B.241, subdivision 1d, paragraph (a);

73.3 ~~(2)~~ (3) permanent installation of new or upgraded electrical circuits and related equipment to enable electrical vehicle charging; or

73.5 ~~(3)~~ (4) a solar voltaic or solar thermal energy system attached to, installed within, or proximate to a building that generates electrical or thermal energy from a renewable energy source that has been identified in an energy audit or renewable energy system feasibility study as repaying their purchase and installation costs in 20 years or less, based on the amount of future energy saved and estimated future energy prices.

73.10 Sec. 8. Minnesota Statutes 2018, section 216C.435, subdivision 8, is amended to read:

73.11 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property" means a multifamily residential dwelling, or a commercial or industrial building, that the implementing entity has determined, after review of an energy audit or renewable energy system feasibility study, can be benefited by installation of cost-effective energy improvements. Qualifying commercial real property includes new construction.

73.16 Sec. 9. Minnesota Statutes 2018, section 216C.436, subdivision 4, is amended to read:

313.10 Subd. 4. **Financing terms.** Financing provided under this section must have:

313.11 (1) a cost-weighted average maturity not exceeding the useful life of the energy
313.12 improvements installed, as determined by the implementing entity, but in no event may a
313.13 term exceed 20 years;

313.14 (2) a principal amount not to exceed the lesser of:

313.15 (i) the greater of 20 percent of the assessed value of the real property on which the
313.16 improvements are to be installed or 20 percent of the real property's appraised value, accepted
313.17 or approved by the mortgage lender; or

313.18 (ii) the actual cost of installing the energy improvements, including the costs of necessary
313.19 equipment, materials, and labor, the costs of each related energy audit or renewable energy
313.20 system feasibility study, and the cost of verification of installation; and

313.21 (3) an interest rate sufficient to pay the financing costs of the program, including the
313.22 issuance of bonds and any financing delinquencies.

313.23 Sec. 51. Minnesota Statutes 2018, section 216C.436, is amended by adding a subdivision
313.24 to read:

313.25 Subd. 10. Improvements; real property or fixture. A cost-effective energy improvement
313.26 financed under a PACE loan program, including all equipment purchased in whole or in
313.27 part with loan proceeds under a loan program, is deemed real property or a fixture attached
313.28 to the real property.

314.1 Sec. 52. [216C.45] POWER PLANT HOST COMMUNITY TRANSITION
314.2 PLANNING.

314.3 The commissioner of commerce must coordinate with the commissioner of labor and
314.4 industry and the commissioner of employment and economic development to develop plans,
314.5 programs, and recommendations to mitigate the impacts on host communities and workers
314.6 resulting from the retirement of large electric generation facilities. The commissioners must
314.7 confer with stakeholders in preparing these plans and programs, including representatives
314.8 of local government units that host large electric generation facilities, workers and contractors
314.9 at large generation facilities, and the utilities that own large electric generation facilities.

314.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

314.11 Sec. 53. Minnesota Statutes 2018, section 216F.04, is amended to read:
314.12 216F.04 SITE PERMIT.

314.13 (a) No person may construct an LWECS without a site permit issued by the Public
314.14 Utilities Commission.

314.15 (b) Any person seeking to construct an LWECS shall submit an application to the
314.16 commission for a site permit in accordance with this chapter and any rules adopted by the
314.17 commission. The permitted site need not be contiguous land.

73.17 Subd. 4. **Financing terms.** Financing provided under this section must have:

73.18 (1) a cost-weighted average maturity not exceeding the useful life of the energy
73.19 improvements installed, as determined by the implementing entity, but in no event may a
73.20 term exceed 20 years;

73.21 (2) a principal amount not to exceed the lesser of:

73.22 (i) the greater of 20 percent of the assessed value of the real property on which the
73.23 improvements are to be installed or 20 percent of the real property's appraised value, accepted
73.24 or approved by the mortgage lender; or

73.25 (ii) the actual cost of installing the energy improvements, including the costs of necessary
73.26 equipment, materials, and labor, the costs of each related energy audit or renewable energy
73.27 system feasibility study, and the cost of verification of installation; and

73.28 (3) an interest rate sufficient to pay the financing costs of the program, including the
73.29 issuance of bonds and any financing delinquencies.

74.1 Sec. 10. Minnesota Statutes 2018, section 216C.436, is amended by adding a subdivision
74.2 to read:

74.3 Subd. 10. Improvements; real property or fixture. A cost-effective energy improvement
74.4 financed under a PACE loan program, including all equipment purchased in whole or in
74.5 part with loan proceeds under a loan program, is deemed real property or a fixture attached
74.6 to the real property.

314.18 (c) The commission shall make a final decision on an application for a site permit for
314.19 an LWECS within 180 days after acceptance of a complete application by the commission.
314.20 The commission may extend this deadline for cause.

314.21 (d) The commission may place conditions in a permit and may deny, modify, suspend,
314.22 or revoke a permit.

314.23 (e) The commission may require, as a condition of permit issuance, that the recipient of
314.24 a site permit to construct an LWECS with a nameplate capacity above 25,000 kilowatts and
314.25 all of the permit recipient's construction contractors and subcontractors on the project pay
314.26 the prevailing wage rate, as defined in section 177.42. The commission may also require,
314.27 as a condition of modifying a site permit for an LWECS repowering project as defined in
314.28 section 216B.243, subdivision 8, paragraph (b), that the recipient of the site permit and all
314.29 of the recipient's construction contractors and subcontractors on the repowering project pay
314.30 the prevailing wage rate as defined in section 177.42.

315.1 Sec. 54. Minnesota Statutes 2018, section 216F.08, is amended to read:
315.2 216F.08 PERMIT AUTHORITY; ASSUMPTION BY COUNTIES.

315.3 (a) A county board may, by resolution and upon written notice to the Public Utilities
315.4 Commission, assume responsibility for processing applications for permits required under
315.5 this chapter for LWECS with a combined nameplate capacity of less than 25,000 kilowatts.
315.6 The responsibility for permit application processing, if assumed by a county, may be
315.7 delegated by the county board to an appropriate county officer or employee. Processing by
315.8 a county shall be done in accordance with procedures and processes established under
315.9 chapter 394.

315.10 (b) A county board that exercises its option under paragraph (a) may issue, deny, modify,
315.11 impose conditions upon, or revoke permits pursuant to this section. The action of the county
315.12 board about a permit application is final, subject to appeal as provided in section 394.27.

315.13 (c) The commission shall, by order, establish general permit standards, including
315.14 appropriate property line set-backs, governing site permits for LWECS under this section.
315.15 The order must consider existing and historic commission standards for wind permits issued
315.16 by the commission. The general permit standards shall apply to permits issued by counties
315.17 and to permits issued by the commission for LWECS with a combined nameplate capacity
315.18 of less than 25,000 kilowatts. The commission or a county may grant a variance from a
315.19 general permit standard if the variance is found to be in the public interest, provided all
315.20 LWECS site permits issued by the commission or a county and all modifications of site
315.21 permits issued by the commission or a county for repowering projects comply with the
315.22 prevailing wage rate requirements under section 216F.04, paragraph (e).

315.23 (d) The commission and the commissioner of commerce shall provide technical assistance
315.24 to a county with respect to the processing of LWECS site permit applications.

315.25 Sec. 55. [216H.011] GREENHOUSE GAS EMISSIONS; FINDING.

315.26 The legislature finds and declares that greenhouse gas emissions resulting from human
315.27 activities are a key cause of climate change.

315.28 Sec. 56. Minnesota Statutes 2018, section 326B.106, is amended by adding a subdivision
315.29 to read:

315.30 Subd. 16. Voluntary adoption of stretch code. The Construction Codes Advisory
315.31 Council must establish a voluntary code of standards for the construction, reconstruction,
315.32 and alteration of public and private commercial and multifamily residential buildings, as
316.1 an appendix to the State Building Code. This voluntary code of standards must conform to
316.2 Sustainable Building 2030 standards, as defined in section 216B.241, subdivision 9, which
316.3 applies additional performance requirements without altering any underlying codes or safety
316.4 standards. The code sections contained in this appendix may be adopted by a local jurisdiction
316.5 at its election and become an official addendum to the baseline energy code in the
316.6 jurisdictions adopting them. When adopting the code sections contained in the appendix,
316.7 the local jurisdiction must not amend the code sections, but may specify a minimum size
316.8 for the buildings the stretch code will apply to. The minimum size must be at least 10,000
316.9 square feet.

74.7 Sec. 11. Minnesota Statutes 2018, section 609.594, is amended to read:
74.8 609.594 DAMAGE TO PROPERTY OF CRITICAL PUBLIC SERVICE
74.9 FACILITIES, UTILITIES, AND PIPELINES.

74.10 Subdivision 1. **Definitions.** As used in this section:

74.11 (1) "critical public service facility" includes railroad yards and stations, bus stations,
74.12 airports, and other mass transit facilities; oil refineries; storage areas or facilities for hazardous
74.13 materials, hazardous substances, or hazardous wastes; and bridges;

74.14 (2) "pipeline" has the meaning given in section 609.6055, subdivision 1; and

74.15 (3) "utility" includes: (i) any organization defined as a utility in section 216C.06,
74.16 subdivision 18; (ii) any telecommunications carrier or telephone company regulated under
74.17 chapter 237; and (iii) any local utility or enterprise formed for the purpose of providing
74.18 electrical or gas heating and power, telephone, water, sewage, wastewater, or other related
74.19 utility service, which is owned, controlled, or regulated by a town, a statutory or home rule
74.20 charter city, a county, a port development authority, the Metropolitan Council, a district
74.21 heating authority, a regional commission or other regional government unit, or a combination
74.22 of these governmental units.

74.23 Subd. 2. **Prohibited conduct; penalty.** Whoever (a) A person who causes damage to
74.24 the physical property of a critical public service facility, utility, or pipeline with the intent
74.25 to significantly disrupt the operation of or the provision of services by the facility, utility,
74.26 or pipeline and without the consent of one authorized to give consent, is guilty of a felony

74.27 and may be sentenced to imprisonment for not more than ten years or to payment of a fine
74.28 of not more than \$20,000, or both.

74.29 (b) A person who alters the equipment or physical operations of a pipeline with the intent
74.30 to disrupt the operation of or the provision of services by the pipeline and without the consent
74.31 of one authorized to give consent is guilty of a felony and may be sentenced to imprisonment
74.32 for not more than seven years or to payment of a fine of not more than \$20,000, or both.

75.1 (c) Nothing in this section shall be interpreted to prohibit any of the following: (1) action
75.2 by a member of a labor organization in the course of a labor dispute, including picketing,
75.3 handbilling, bannerizing, work stoppages, or strikes, as long as the member does not cause
75.4 damage to the physical property or alter the equipment or physical operations of a critical
75.5 public service facility, utility, or pipeline with the intent to disrupt its operations or provision
75.6 of services; (2) access to property by a representative of a labor organization under a worksite
75.7 visitation clause of a collective bargaining agreement; (3) access to property by a
75.8 representative of a building trades labor or management organization; or (4) conduct protected
75.9 by United States Code, title 29, section 157, including labor-organizing activity.

75.10 Subd. 3. **Detention authority; immunity.** An employee or other person designated by
75.11 a critical public service facility, utility, or pipeline to ensure the provision of services by
75.12 the critical public service facility or the safe operation of the equipment or facility of the
75.13 utility or pipeline who has reasonable cause to believe that a person is violating this section
75.14 may detain the person as provided in this subdivision. The person detained must be promptly
75.15 informed of the purpose of the detention and may not be subjected to unnecessary or
75.16 unreasonable force or interrogation. The employee or other designated person must notify
75.17 a peace officer promptly of the detention and may only detain the person for a reasonable
75.18 period of time. No employee or other, designated person, or employer of the employee or
75.19 designated person is criminally or civilly liable for any detention that the employee or person
75.20 reasonably believed was authorized by and conducted in conformity with this subdivision.

75.21 Subd. 4. **Restitution.** The court may order a person convicted of violating this section
75.22 to pay restitution for the costs and expenses resulting from the crime.

75.23 **EFFECTIVE DATE.** This section is effective June 15, 2019, and applies to crimes
75.24 committed on or after that date.

75.25 Sec. 12. Minnesota Statutes 2018, section 609.6055, is amended to read:
75.26 609.6055 TRESPASS ON CRITICAL PUBLIC SERVICE FACILITY; UTILITY;
75.27 OR PIPELINE.

75.28 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the
75.29 meanings given.

75.30 (b) "Critical public service facility" includes buildings and other physical structures, and
75.31 fenced in or otherwise enclosed property, of railroad yards and stations, bus stations, airports,
75.32 and other mass transit facilities; oil refineries; and storage areas or facilities for hazardous
75.33 materials, hazardous substances, or hazardous wastes. The term also includes nonpublic

76.1 portions of bridges. The term does not include railroad tracks extending beyond a critical
76.2 public service facility.

76.3 (c) "Pipeline" includes an aboveground pipeline, a belowground pipeline housed in an
76.4 underground structure, and any equipment, facility, or building located in this state that is
76.5 used to transport natural or synthetic gas, crude petroleum or petroleum fuels or oil or their
76.6 derivatives, or hazardous liquids, to or within a distribution, refining, manufacturing, or
76.7 storage facility that is located inside or outside of this state. Pipeline does not include service
76.8 lines.

76.9 (d) "Utility" includes:

76.10 (1) any organization defined as a utility in section 216C.06, subdivision 18;

76.11 (2) any telecommunications carrier or telephone company regulated under chapter 237;
76.12 and

76.13 (3) any local utility or enterprise formed for the purpose of providing electrical or gas
76.14 heating and power, telephone, water, sewage, wastewater, or other related utility service,
76.15 which is owned, controlled, or regulated by a town, a statutory or home rule charter city, a
76.16 county, a port development authority, the Metropolitan Council, a district heating authority,
76.17 a regional commission or other regional government unit, or a combination of these
76.18 governmental units.

76.19 The term does not include property located above buried power or telecommunications
76.20 lines or property located below suspended power or telecommunications lines, unless the
76.21 property is fenced in or otherwise enclosed.

76.22 (e) "Utility line" includes power, telecommunications, and transmissions lines as well
76.23 as related equipment owned or controlled by a utility.

76.24 Subd. 2. **Prohibited conduct; penalty.** (a) Whoever A person who enters or is found
76.25 upon property containing or upon which is being constructed a critical public service facility,
76.26 utility, or pipeline, without claim of right or consent of one who has the right to give consent
76.27 to be on the property, is guilty of a gross misdemeanor, if:

76.28 (1) the person refuses to depart from the property on the demand of one who has the
76.29 right to give consent;

76.30 (2) within the past six months, the person had been told by one who had the right to give
76.31 consent to leave the property and not to return, unless a person with the right to give consent
76.32 has given the person permission to return; or

77.1 (3) the property is posted.

77.2 (b) A person who enters or is found upon property containing or upon which is being
77.3 constructed: (1) a petroleum refinery, as defined in section 115C.02, subdivision 10a,
77.4 including buildings and other physical structures, or fenced in or otherwise enclosed property

77.5 of that petroleum refinery; or (2) a pipeline, with the intent to disrupt the operation of,
77.6 provision of services by, or construction of the petroleum refinery or pipeline, is guilty of
77.7 a felony and may be sentenced to imprisonment for not more than five years or to payment
77.8 of a fine of not more than \$10,000, or both.

77.9 (b) Whoever (c) A person who enters an underground structure that (1) contains a utility
77.10 line or pipeline and (2) is not open to the public for pedestrian use, without claim of right
77.11 or consent of one who has the right to give consent to be in the underground structure, is
77.12 guilty of a gross misdemeanor. The underground structure does not need to be posted for
77.13 this paragraph to apply.

77.14 (d) Nothing in this section shall be interpreted to prohibit any of the following: (1) action
77.15 by a member of a labor organization in the course of a labor dispute, including picketing,
77.16 handbilling, bannerizing, work stoppages, or strikes, as long as the member does not cause
77.17 damage to the physical property or alter the equipment or physical operations of a critical
77.18 public service facility, utility, or pipeline with the intent to disrupt its operations or provision
77.19 of services; (2) access to property by a representative of a labor organization under a worksite
77.20 visitation clause of a collective bargaining agreement; (3) access to property by a
77.21 representative of a building trades labor or management organization; and (4) conduct
77.22 protected by United States Code, title 29, section 157, including labor-organizing activity.

77.23 Subd. 3. **Posting.** For purposes of this section, a critical public service facility, utility,
77.24 or pipeline is posted if there are signs that:

- 77.25 (1) state "no trespassing" or similar terms;
- 77.26 (2) display letters at least two inches high;
- 77.27 (3) state that Minnesota law prohibits trespassing on the property; and
- 77.28 (4) are posted in a conspicuous place and at intervals of 500 feet or less.

77.29 Subd. 4. **Detention authority; immunity.** An employee or other person designated by
77.30 a critical public service facility, utility, or pipeline to ensure the provision of services by
77.31 the critical public service facility or the safe operation of the equipment or facility of the
77.32 utility or pipeline who has reasonable cause to believe that a person is violating this section
77.33 may detain the person as provided in this subdivision. The person detained must be promptly
78.1 informed of the purpose of the detention and may not be subjected to unnecessary or
78.2 unreasonable force or interrogation. The employee or other designated person must notify
78.3 a peace officer promptly of the detention and may only detain the person for a reasonable
78.4 period of time. No employee or other, designated person, or employer of the employee or
78.5 designated person is criminally or civilly liable for any detention that the employee or person
78.6 reasonably believed was authorized by and conducted in conformity with this subdivision.

78.7 Subd. 5. **Arrest authority.** A peace officer may arrest a person without a warrant if the
78.8 officer has probable cause to believe the person violated this section within the preceding

78.9 four hours. The arrest may be made even though the violation did not occur in the presence
78.10 of the peace officer.

78.11 Subd. 6. Restitution. The court may order a person convicted of violating this section
78.12 to pay restitution for the costs and expenses resulting from the crime.

78.13 EFFECTIVE DATE. This section is effective June 15, 2019, and applies to crimes
78.14 committed on or after that date.

78.15 Sec. 13. Laws 2017, chapter 94, article 10, section 28, is amended to read:

78.16 Sec. 28. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR
78.17 THERMAL REBATES.**

78.18 (a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner
78.19 of a solar thermal system whose application was approved by the commissioner of commerce
78.20 after the effective date of this act.

78.21 (b) Unspent money remaining in the account established under Minnesota Statutes 2014,
78.22 section 216C.416, as of July 2, 2017, must be transferred to the ~~C LEAF~~ renewable
78.23 development account established under Minnesota Statutes 2016, section 116C.779,
78.24 subdivision 1.

78.25 EFFECTIVE DATE. This section is effective the day following final enactment.

78.26 Sec. 14. Laws 2017, chapter 94, article 10, section 29, is amended to read:

78.27 Sec. 29. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF
78.28 UNEXPENDED GRANT FUNDS.**

78.29 (a) No later than 30 days after the effective date of this section, the utility subject to
78.30 Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person
79.1 who received a grant funded from the renewable development account previously established
79.2 under that subdivision:

79.3 (1) after January 1, 2012; and

79.4 (2) before January 1, 2012, if the funded project remains incomplete as of the effective
79.5 date of this section.

79.6 The notice must contain the provisions of this section and instructions directing grant
79.7 recipients how unexpended funds can be transferred to the ~~clean energy advancement fund~~
79.8 renewable development account.

79.9 (b) A recipient of a grant from the renewable development account previously established
79.10 under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after
79.11 receiving the notice required under paragraph (a), transfer any grant funds that remain
79.12 unexpended as of the effective date of this section to the ~~clean energy advancement fund~~
79.13 renewable development account if, by that effective date, all of the following conditions
79.14 are met:

247.8 Sec. 4. **RESIDENTIAL ENERGY CONSERVATION FINANCIAL INCENTIVE.**

247.9 (a) In addition to any financial incentive approved under Minnesota Statutes, section
247.10 216B.16, subdivision 6c, the Public Utilities Commission must approve a financial incentive
247.11 designed to encourage a public utility to continue investing in cost-effective conservation
247.12 measures that result in energy savings to residential customers after the public utility has
247.13 achieved annual energy savings for all customers equivalent to 1.75 percent of gross retail
247.14 electric energy sales or 1.2 percent of gross annual retail natural gas sales. A public utility
247.15 is eligible to receive the new incentive developed under this section if the amount of energy
247.16 savings by residential customers contributing to the 1.75 or 1.2 percent level, as applicable,
247.17 equals or exceeds the average amount residential customers saved over the most recent
247.18 three-year period, not counting any savings resulting from the new incentive developed
247.19 under this section. When reviewing and approving the incentive, the Public Utilities
247.20 Commission must ensure the effective involvement of interested parties and must apply the
247.21 criteria established in Minnesota Statutes, section 216B.16, subdivision 6c, paragraph (b).

247.22 (b) By November 1, 2019, the commissioner of commerce must develop and submit to
247.23 the Public Utilities Commission for approval a financial incentive that meets the requirements
247.24 under paragraph (a). The Public Utilities Commission may modify the financial incentive
247.25 submitted under this paragraph.

247.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

247.27 Sec. 5. **SMALL-AREA CLIMATE MODEL PROJECTIONS FOR MINNESOTA.**

- 79.15 (1) the grant was awarded more than five years before the effective date of this section;
79.16 (2) the grant recipient has failed to obtain control of the site on which the project is to
79.17 be constructed;
79.18 (3) the grant recipient has failed to secure all necessary permits or approvals from any
79.19 unit of government with respect to the project; and
79.20 (4) construction of the project has not begun.
79.21 (c) A recipient of a grant from the renewable development account previously established
79.22 under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds
79.23 that remain unexpended five years after the grant funds are received by the grant recipient
79.24 if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant
79.25 recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary
79.26 of the receipt of the grant funds.
79.27 (d) A person who transfers funds to the clean energy advancement fund renewable
79.28 development account under this section is eligible to apply for funding from the clean energy
79.29 advancement fund renewable development account.
79.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

247.28 (a) The Board of Regents of the University of Minnesota must conduct a study that
247.29 produces climate model projections for the entire state of Minnesota, in blocks as small as
247.30 three square miles in area.

247.31 (b) At a minimum, the study must:

248.1 (1) use resources at the Minnesota Supercomputing Institute to analyze high-performing
248.2 climate models under moderate and high greenhouse gas emissions scenarios and develop
248.3 a series of projections of temperature, wind speed, precipitation, snow cover, and a variety
248.4 of other climate parameters over the rest of this century;

248.5 (2) downscale the climate impact results under clause (1) to areas as small as three square
248.6 miles;

248.7 (3) develop a publicly accessible data portal website to (i) allow other universities,
248.8 nonprofit organizations, businesses, and government agencies to use the model projections,
248.9 and (ii) educate and train users how to make best use of the data;

248.10 (4) incorporate information on how to use the model results in the University of
248.11 Minnesota Extension existing online climate adaptation training; and

248.12 (5) hold at least two "train the trainer" workshops for state agencies, municipalities, and
248.13 others to educate colleagues how to use and interpret the data for climate adaptation efforts.

248.14 (c) Beginning July 1, 2020, and continuing each July 1 through 2022, the University of
248.15 Minnesota must provide a written report to the chairs and ranking minority members of the
248.16 senate and house of representatives committees with primary jurisdiction over agriculture,
248.17 energy, and environment. The report must document the progress made on the study and
248.18 study results, and must note any obstacles encountered that could prevent successful
248.19 completion of the study.

248.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

316.10 Sec. 57. **METROPOLITAN COUNCIL; ELECTRIC BUS PURCHASES.**

316.11 After the effective date of this act and until the appropriation made in section 61,
316.12 subdivision 5, is exhausted, any bus purchased by the Metropolitan Council for Metro
316.13 Transit bus service must operate solely on electricity provided by rechargeable on-board
316.14 batteries. The appropriation in section 61, subdivision 5, must be used to pay the incremental
316.15 cost of buses that operate solely on electricity provided by rechargeable on-board batteries
316.16 over diesel-operated buses that are otherwise comparable in size, features, and performance.

316.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

316.18 Sec. 58. **ELECTRIC SCHOOL BUS DEMONSTRATION GRANT.**

316.19 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
316.20 the meanings given.

316.21 (b) "Electric school bus" means a school bus powered solely by an electric motor drawing
316.22 current from rechargeable storage batteries, fuel cells, or other portable sources of electric
316.23 current.

316.24 (c) "Electric vehicle charging station" means infrastructure that recharges an electric
316.25 vehicle's batteries by connecting the electric vehicle to:

316.26 (1) a level 2 charger that provides a 240-volt alternating current power source; or

316.27 (2) a DC fast charger that has an electric output of 20 kilowatts or greater.

316.28 (d) "Private school bus contractor" means a person who contracts with a school district
316.29 to transport school district students to and from school and school activities on school buses
316.30 owned and operated by the person.

317.1 (e) "School bus" has the meaning given in Minnesota Statutes, section 169.011,
317.2 subdivision 71. School bus does not include a Type III vehicle, as defined in Minnesota
317.3 Statutes, section 169.011, paragraph (h).

317.4 (f) "School district" means an independent or special school district.

317.5 Subd. 2. **Purpose.** The commissioner of education must award a grant to a school district
317.6 to purchase an electric school bus as a demonstration project to enable the school district,
317.7 the electric utility serving the school district, and, if applicable, the private school bus
317.8 contractor providing transportation services to the school district to gain experience operating
317.9 an electric school bus and to assess its performance.

317.10 Subd. 3. **Eligibility.** A school district located within the electric retail service area of
317.11 the public utility subject to Minnesota Statutes, section 116C.779, subdivision 1, that owns
317.12 and operates school buses or contracts with a private school bus contractor is eligible to
317.13 apply for a grant under this section.

317.14 Subd. 4. **Application process.** An eligible applicant must submit an application to the
317.15 commissioner of education on a form designed by the commissioner of education. The
317.16 commissioner of education must develop administrative procedures governing the application
317.17 and grant award process.

317.18 Subd. 5. **Application content.** An application for a grant under this section must include:
317.19 (1) the name of the school district or districts where the electric school bus is proposed
317.20 to operate;

317.21 (2) a description of the route, timing of operation, number of students to be transported,
317.22 and other factors affecting the performance characteristics that an electric school bus
317.23 performance must meet;

317.24 (3) certification from the electric utility serving the school district, and, if applicable,
317.25 the private school bus contractor providing transportation services to the school district,
317.26 that the electric utility and private school bus contractor fully support and are full partners

317.27 in implementing the demonstration project, including a list of tasks the electric utility and
317.28 private school bus contractor commit to conduct and any voluntary financial contributions
317.29 to the project;

317.30 (4) certification from the electric utility serving the school district that it commits to pay
317.31 the costs to purchase and install an electric vehicle charging station in a convenient location
317.32 to recharge the batteries of the electric school bus;

318.1 (5) evidence that the proposed electric school bus has access to an electric vehicle
318.2 charging station at a convenient location;

318.3 (6) if the school district contracts with a private school bus contractor:

318.4 (i) a copy of a signed agreement between the school district and the private school bus
318.5 contractor that protects the state's interest in the electric school bus purchased with the grant
318.6 in the case of the termination of the private school bus contractor's contract with the school
318.7 district or other contingencies; and

318.8 (ii) written certification that any revenues paid to the private school bus contractor by
318.9 the utility providing retail electric service to the private school bus contractor that result
318.10 from the purchase of or access to the electricity stored in the batteries of the electric school
318.11 bus purchased with a grant under this section must be forwarded to the school district; and

318.12 (7) any additional information required by the commissioner of education.

318.13 Subd. 6. Eligible expenditures. Grant funds awarded under this section may be expended
318.14 to:

318.15 (1) purchase an electric school bus;

318.16 (2) pay the cost of electricity to charge the batteries of the electric school bus; and

318.17 (3) pay repair and maintenance costs for the electric school bus.

318.18 Subd. 7. Reports. On or before the first anniversary of the initial operation of a school
318.19 bus funded by a grant under this section, and on or before the same date in each of the
318.20 following two years, the school district awarded the grant, in collaboration with the electric
318.21 utility serving the school district, and, if applicable, the private school bus contractor
318.22 providing transportation services to the school district, must submit a report describing the
318.23 performance of the electric school bus to the chairs and ranking minority members of the
318.24 senate and house of representatives committees with primary jurisdiction over energy policy,
318.25 transportation policy, and education policy, and to the commissioner of education. At a
318.26 minimum, the report must contain the following information regarding the performance of
318.27 the electric school bus:

318.28 (1) the number of miles traveled per day and per year;

318.29 (2) the cost of recharging, and any steps taken to minimize the costs by charging at
318.30 off-peak times;

318.31 (3) operating costs per mile;

318.32 (4) miles driven per kilowatt hour;

319.1 (5) the number of days the electric school bus was out of service for repairs;

319.2 (6) discussion of the qualitative aspects of performance, including the impact of extreme
319.3 cold on bus performance; and

319.4 (7) any other information deemed relevant by the school district.

319.5 Sec. 59. **GREENHOUSE GAS EMISSIONS REDUCTION STRATEGY; REPORT.**

319.6 (a) The commissioner of commerce must develop benchmarks and strategies designed
319.7 to significantly accelerate the reduction in greenhouse gas emissions in Minnesota by 2030,
319.8 including strategies to:

319.9 (1) increase energy efficiency in all buildings, including residential;

319.10 (2) provide consumers with tools to manage personal energy use automatically, remotely,
319.11 and electronically;

319.12 (3) present consumers with financial incentives to shift energy use to periods when
319.13 systemwide demand and the cost of generation are low;

319.14 (4) work toward electrifying all sectors of the economy currently powered by fossil
319.15 fuels;

319.16 (5) increase carbon sequestration in Minnesota lands and wetlands;

319.17 (6) incentivize the adoption of energy storage systems to accelerate the use of wind and
319.18 solar resources; and

319.19 (7) modernize the electric grid and promote the use of distributed energy resources.

319.20 (b) By November 30, 2019, the commissioner must submit a report containing the
319.21 benchmarks and strategies to the chairs and ranking minority members of the senate and
319.22 house of representatives committees with primary jurisdiction over energy policy.

319.23 Sec. 60. **PRAIRIE ISLAND RENEWABLE ENERGY.**

319.24 Subdivision 1. **Program established.** The Prairie Island Renewable Energy Project is
319.25 established to enable the Prairie Island Indian Community to develop renewable energy
319.26 systems.

319.27 Subd. 2. **Grant.** The commissioner of employment and economic development must
319.28 enter into a grant contract with the Prairie Island Indian Community to provide funding to
319.29 stimulate implementation of renewable energy projects benefiting the Prairie Island Indian

119.16 Sec. 9. **PRAIRIE ISLAND NET ZERO PROJECT.**

119.17 Subdivision 1. **Program established.** The Prairie Island net zero project is established
119.18 with the goal of the Prairie Island Indian community developing an energy system that
119.19 results in net zero emissions.

119.20 Subd. 2. **Grant.** The commissioner of employment and economic development must
119.21 enter into a grant contract with the Prairie Island Indian community to provide the amount
119.22 appropriated under section 12 to stimulate research, development, and implementation of

319.30 Community or its members. Renewable energy projects under this section include but are
 320.1 not limited to geothermal energy and on-site community solar gardens at Prairie Island,
 320.2 Upper Island, Mount Frontenac, the assisted living center located near the intersection of
 320.3 Highway 361 and signed U.S. Highway 61, and any residential development on land owned
 320.4 by the Prairie Island Indian Community in West Lakeland Township. Any examination
 320.5 conducted by the commissioner of employment and economic development to determine
 320.6 the sufficiency of the financial stability and capacity of the Prairie Island Indian Community
 320.7 to carry out the purposes of this grant is limited to the Community Services Department of
 320.8 the Prairie Island Indian Community.

320.9 Subd. 3. **Report.** The Prairie Island Indian Community must file a report on July 1,
 320.10 2020, and each July 1 thereafter until the project is complete, describing the progress made
 320.11 in implementing the project and the uses of expended funds. A final report must be completed
 320.12 within 90 days of the date the project is complete.

320.13 **EFFECTIVE DATE.** This section is effective June 1, 2019.

320.14 Sec. 61. **COORDINATED ELECTRIC TRANSMISSION STUDY.**

320.15 (a) Each entity subject to Minnesota Statutes, section 216B.2425, must participate in a
 320.16 coordinated engineering study to identify transmission network enhancements necessary to
 320.17 maintain system reliability in the event large generation resources are retired. Specifically,
 320.18 the study must evaluate what enhancements are necessary in the event large generation
 320.19 resources that reach the end of the large generation resource's depreciation term or operating
 320.20 license term within 20 years of the effective date of this section are retired. The study must
 320.21 also evaluate the transmission enhancements that may be necessary to interconnect
 320.22 replacement generation, including but not limited to:

320.23 (1) 7,000 megawatts of generation from eligible energy technologies, as defined in
 320.24 Minnesota Statutes, section 216B.1691, subdivision 1, by 2025; and

320.25 (2) any replacement generation and renewable resource additions, including generation
 320.26 tie lines, anticipated to occur by 2035 in any utility's integrated resource plan filed with or
 320.27 approved by the Public Utilities Commission.

320.28 (b) When setting the scope for the study and as needed while the study is being conducted,
 320.29 utilities must consult with the commissioner of commerce, technical representatives of
 320.30 renewable energy resource developers, and other interested entities to discuss and identify
 320.31 needed generation tie lines to support the continued orderly development of renewable
 320.32 resources in Minnesota. The study must include any analysis performed by the Midcontinent
 320.33 Independent System Operator.

321.1 (c) A report on the study must be completed and submitted to the Public Utilities
 321.2 Commission by November 1, 2020, and include a preliminary plan to build the needed

119.23 renewable energy projects benefiting the Prairie Island Indian community or its members.
 119.24 Any examination conducted by the commissioner of employment and economic development
 119.25 to determine the sufficiency of the financial stability and capacity of the Prairie Island Indian
 119.26 community to carry out the purposes of this grant is limited to the Community Services
 119.27 Department of the Prairie Island Indian community.

119.28 Subd. 3. **Plan; report.** The Prairie Island Indian community must file a plan with the
 119.29 commissioner of employment and economic development no later than July 1, 2019,
 119.30 describing the Prairie Island net zero project elements and implementation strategy. The
 119.31 Prairie Island Indian community must file a report on July 1, 2020, and each July 1 thereafter
 119.32 until the project is complete, describing the progress made in implementing the project and
 120.1 the uses of expended funds. A final report must be completed within 90 days of the date
 120.2 the project is complete.

120.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

321.3 transmission network enhancements. Reasonable and prudent costs for the study are
321.4 recoverable through the mechanism provided under Minnesota Statutes, section 216B.1645,
321.5 subdivision 2.

321.6 Sec. 62. **ENERGY UTILITY DIVERSITY STAKEHOLDER GROUP; REPORT.**

321.7 (a) The Public Utilities Commission must convene a stakeholder group to examine the
321.8 challenges and opportunities for Minnesota's energy utilities to attract a diverse workforce
321.9 with the skills needed to advance a 21st century industry and to increase the supplier diversity
321.10 of energy utilities. The stakeholder group must include but is not limited to stakeholders
321.11 representative of public utilities as defined in Minnesota Statutes, section 216B.02,
321.12 subdivision 4, municipal, electric, or gas utilities, and electric or gas cooperative associations.
321.13 The executive director of the commission must convene the first meeting of the stakeholder
321.14 group.

321.15 (b) The stakeholder group must:

321.16 (1) examine current and projected employment in the energy utility sector;
321.17 (2) provide information on possible approaches to assist workers and energy utilities to
321.18 develop a diverse workforce that has the skills to build, maintain, and operate the electricity
321.19 system of the future;

321.20 (3) review key trends that have shaped employment in this sector and the demographics
321.21 of the sector, including the underrepresentation of women, veterans, and minorities in
321.22 employment and leadership;

321.23 (4) identify the challenges to replacing retiring workers;

321.24 (5) examine the imbalance of available worker skills to utility workforce needs; and

321.25 (6) identify the challenges and possible approaches to increasing supplier diversity.

321.26 (c) The stakeholder group must also consider whether information regarding workforce
321.27 and supplier diversity should be included and considered as part of any resource plan filed
321.28 by a utility with the commission.

321.29 (d) By January 15, 2020, the stakeholder group must issue a report to the chairs and
321.30 ranking minority members of the house of representatives and senate committees with
321.31 jurisdiction over energy policy and finance identifying its findings and recommendations
322.1 for establishing a more diverse workforce and increasing supplier diversity within the electric
322.2 energy sector.

80.1 Sec. 15. **DEPARTMENT OF COMMERCE; USE OF APPROPRIATIONS;**
80.2 **PROHIBITION.**

80.3 The commissioner of commerce is prohibited from using appropriations to the Department
80.4 of Commerce to fund any activities related to, or supporting the preparation or filing of, an
80.5 appeal of a Public Utilities Commission order issuing a certificate of need in Docket No.
80.6 PL-9/CN-14-916 to the court of appeals or supreme court.

80.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

80.8 Sec. 16. **LEGISLATIVE ENERGY COMMISSION; MINNESOTA ENERGY GOALS**
80.9 **ANALYSIS.**

80.10 (a) The Legislative Energy Commission is requested to examine the opportunities and
80.11 challenges of increasing either: (1) the renewable energy standard established in Minnesota
80.12 Statutes, section 216B.1691, subdivision 2a; or (2) the state's greenhouse gas
80.13 emissions-reductions goals established in Minnesota Statutes, section 216H.02, subdivision
80.14 1. In conducting their analysis, the commission shall consult with stakeholders,
80.15 representatives from the public, and technical and scientific experts.

80.16 (b) The commission is requested to complete its examination so that any recommendations
80.17 for legislation are completed by January 15, 2020.

120.4 Sec. 10. **BIOMASS BUSINESS COMPENSATION.**

120.5 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
120.6 the meanings given.

120.7 (b) "Biomass plant" means the biomass plant identified under Minnesota Statutes, section
120.8 116C.779, subdivision 1, paragraph (f).

120.9 (c) "Early termination" means the early termination of the power purchase agreement
120.10 authorized under Minnesota Statutes, section 216B.2424, subdivision 9, with the biomass
120.11 plant.

120.12 (d) "Operating income" means a business's revenue minus its operating expenses.

120.13 Subd. 2. **Office of Administrative Hearings; claims process.** (a) The chief
120.14 administrative law judge of the Office of Administrative Hearings must assign an
120.15 administrative law judge to administer a claims award process to compensate businesses
120.16 negatively affected by the early termination. The chief administrative law judge may develop
120.17 a process, prescribe forms, identify documentation affected businesses must submit with
120.18 claims, and issue awards to eligible businesses consistent with this section. The process
120.19 must allow, but not require, an authorized representative from each business that applies
120.20 for compensation to appear in person before the assigned administrative law judge to provide
120.21 evidence in support of the business's claim.

120.22 (b) The chief administrative law judge may contract with and use the services of financial
120.23 or other consultants to examine financial documentation presented by claimants or otherwise
120.24 assist in the evaluation and award of claims.

- 120.25 (c) Records submitted to the Office of Administrative Hearings as part of the claims
120.26 process constitute business data under Minnesota Statutes, section 13.591.
- 120.27 (d) An award made under this section is final and is not subject to judicial review.
- 120.28 (e) An award made under this section does not constitute an admission of liability by
120.29 the state for any damages or other losses suffered by a business affected by the early
120.30 termination.
- 120.31 Subd. 3. **Eligibility.** To be eligible for an award of compensation, an affected business
120.32 must meet the following criteria:
- 121.1 (1) as of May 1, 2017, the affected business was operating under the terms of a valid
121.2 written contract, or an oral contract that is sufficiently supported by business records, with
121.3 the company operating the biomass plant or the fertilizer plant integrated with the biomass
121.4 plant to supply or manage material for, or receive material from, the biomass plant or the
121.5 fertilizer plant integrated with the biomass plant;
- 121.6 (2) the affected business is located in the state; and
- 121.7 (3) as the result of the early termination, the affected business suffered:
- 121.8 (i) decreased operating income; or
- 121.9 (ii) the loss of value of investments in real or personal property essential to its business
121.10 operations with the biomass plant.
- 121.11 Subd. 4. **Types of claims.** (a) An eligible business may make claims for a compensation
121.12 award based on either or both:
- 121.13 (1) decreased operating income; or
- 121.14 (2) the loss of value of investments in real or personal property essential to its business
121.15 operations with the biomass plant.
- 121.16 (b) To establish and quantify a claim for decreased operating income, an eligible business
121.17 must:
- 121.18 (1) demonstrate its operating income over the past five years derived from supplying or
121.19 managing material for, or receiving material from, the biomass plant;
- 121.20 (2) present evidence of any alternative business opportunities it has pursued or could
121.21 pursue to mitigate the loss of revenue from the termination of its contract with the biomass
121.22 plant; and
- 121.23 (3) demonstrate the amount that the business's annual operating income, including
121.24 operating income from any alternative business opportunities, after the termination of the
121.25 business's contract with the biomass plant is less than the five-year average of the business's
121.26 annual operating income before the early termination.

121.27 (c) To establish and quantify a loss of value of investments in real or personal property
121.28 claim, an eligible business must provide sufficient evidence of:
121.29 (1) the essential nature of the investment made in the property to fulfill the contract with
121.30 the biomass plant;
122.1 (2) the extent to which the eligible business is able to repurpose the property for another
122.2 productive use after the early termination, including but not limited to the use, sales, salvage,
122.3 or scrap value of the property for which the loss is claimed; and
122.4 (3) the value of the eligible business's nondepreciated investment in the property.
122.5 Subd. 5. **Limitations on awards.** (a) A compensation award for a decreased operating
122.6 income claim must not exceed the amount calculated under subdivision 4, paragraph (b),
122.7 clause (3), multiplied by two.
122.8 (b) The use, sales, salvage, or scrap value of the property for which a loss is claimed
122.9 must be deducted from a compensation award for a loss of value of investments in real or
122.10 personal property claim.
122.11 (c) A payment received from business interruption insurance policies, settlements, or
122.12 other forms of compensation related to the termination of the business's contract with the
122.13 biomass plant must be deducted from any compensation award provided under this section.
122.14 Subd. 6. **Priority.** The chief administrative law judge may give priority to claims by
122.15 eligible businesses that demonstrate a significant effort to pursue alternative business
122.16 opportunities or to conduct other loss mitigation efforts to reduce its claimed losses related
122.17 to the termination of its contract with the company operating the biomass plant.
122.18 Subd. 7. **Awarding claims.** If the amount provided for compensation in the biomass
122.19 business compensation account established under section 4 is insufficient to fully award all
122.20 claims eligible for an award, all awards must be adjusted proportionally based on the value
122.21 of the claim.
122.22 Subd. 8. **Deadlines.** The chief administrative law judge must make the application
122.23 process for eligible claims available by August 1, 2019. A business seeking an award under
122.24 this section must file all claims with the chief administrative law judge within 60 days of
122.25 the date the chief administrative law judge makes the application process for eligible claims
122.26 available. All preliminary awards on eligible claims must be made within 120 days of the
122.27 deadline date to file claims. Any requests to reconsider an award denial must be filed with
122.28 the chief administrative law judge within 60 days of the notice date for preliminary awards.
122.29 All final awards for eligible claims must be made within 60 days of the deadline date to file
122.30 reconsideration requests. The commissioner of management and budget must pay all awarded
122.31 claims within 45 days of the date the commissioner of management and budget receives
122.32 notice of the final awards from the chief administrative law judge.
122.33 Subd. 9. **Expiration.** This section expires June 30, 2022.

123.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

123.2 Sec. 11. **BIOMASS BUSINESS COMPENSATION ACCOUNT.**

123.3 Subdivision 1. **Account established.** A biomass business compensation account is
123.4 established as a separate account in the special revenue fund in the state treasury.

123.5 Appropriations and transfers to the account must be credited to the account. Earnings, such
123.6 as interest, and any other earnings arising from the assets of the account are credited to the
123.7 account. Funds remaining in the account as of December 31, 2021, must be transferred to
123.8 the renewable development account established under Minnesota Statutes, section 116C.779.

123.9 Subd. 2. **Funding for the special account.** Notwithstanding Minnesota Statutes, section
123.10 116C.779, subdivision 1, paragraph (j), on July 1, 2019, \$40,000,000 must be transferred
123.11 from the renewable development account under Minnesota Statutes, section 116C.779, to
123.12 the biomass business compensation account established under subdivision 3. The transferred
123.13 funds are appropriated to pay eligible obligations under the biomass business compensation
123.14 program established under section 8.

123.15 Subd. 3. **Payment of expenses.** The chief administrative law judge must certify to the
123.16 commissioner of management and budget the total costs incurred to administer the biomass
123.17 business compensation claims process. The commissioner of management and budget must
123.18 transfer an amount equal to the certified costs incurred for biomass business compensation
123.19 claim activities from the renewable development account under Minnesota Statutes, section
123.20 116C.779, and deposit it in the administrative hearings account under Minnesota Statutes,
123.21 section 14.54. Transfers may occur quarterly throughout the fiscal year and must be based
123.22 on quarterly cost and revenue reports, with final certification and reconciliation after each
123.23 fiscal year. The total amount transferred under this subdivision must not exceed \$200,000.

123.24 Subd. 4. **Expiration.** This section expires June 30, 2022.

123.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

123.26 Sec. 12. **GREEN ROOF ADVISORY TASK FORCE; REPORT.**

123.27 Subdivision 1. **Definition.** For the purposes of this section, "green roof" means the roof
123.28 of a building on which:

123.29 (1) photovoltaic devices, as defined in Minnesota Statutes, section 216C.06, are sited;
123.30 or

123.31 (2) a vegetative landscape and associated elements are installed, which may include:

124.1 (i) a growing medium;

124.2 (ii) a waterproof membrane to protect the roof;

124.3 (iii) a barrier to prevent plant roots from damaging the roof;

- 124.4 (iv) a filter layer to prevent the growing medium from washing away;
- 124.5 (v) thermal insulation to protect the vegetation and the building;
- 124.6 (vi) a drainage system; and
- 124.7 (vii) structural support.
- 124.8 **Subd. 2. Membership.** (a) The Green Roof Advisory Task Force consists of the following members:
- 124.10 (1) the state building official, appointed under Minnesota Statutes, section 326B.127, or the state building official's designee;
- 124.12 (2) a representative of the Building Owners and Managers Association Greater Minneapolis, appointed by the president of the association;
- 124.14 (3) up to three representatives from Minnesota companies with extensive experience installing green roofs, appointed by the commissioner of the Pollution Control Agency;
- 124.16 (4) a cochair of the Committee on the Environment of the American Institute of Architects Minnesota, or the cochair's designee;
- 124.18 (5) a horticultural expert from the University of Minnesota Extension, appointed by the dean of extension;
- 124.20 (6) a representative of the University of Minnesota Center for Sustainable Building Research, appointed by the director of the center;
- 124.22 (7) a representative of the Minnesota Solar Energy Industries Association, appointed by the president of the association;
- 124.24 (8) a representative from the Minnesota Nursery and Landscape Association;
- 124.25 (9) a representative of the Minnesota State Building Trades Council appointed by the council;
- 124.27 (10) the commissioner of commerce, or the commissioner's designee; and
- 124.28 (11) other members appointed by the advisory task force that it deems to be helpful in carrying out its duties under subdivision 3.
- 125.1 (b) Members of the advisory task force are not to be compensated for activities associated with the advisory task force.
- 125.3 (c) The Department of Commerce must serve as staff to the advisory task force.
- 125.4 **Subd. 3. Duties.** The advisory task force's duties are to review and evaluate:

125.5 (1) laws relating to green roofs enacted in American cities and states and in foreign
125.6 countries;

125.7 (2) estimates of the impacts of operating green roofs on:

125.8 (i) energy use in the buildings on which the green roofs are installed and any associated
125.9 reductions in the emission of greenhouse gases and other air pollutants;

125.10 (ii) roof replacement costs; and

125.11 (iii) management costs for storm water; and

125.12 (3) any other information the task force deems relevant.

125.13 Subd. 4. Report. By March 1, 2020, the advisory task force must submit a report to the
125.14 chairs and ranking minority members of the senate and house of representatives committees
125.15 with primary jurisdiction over energy policy and environmental policy. The report must
125.16 contain the task force's findings and recommendations, including discussion of the benefits
125.17 and problems associated with requiring buildings of a certain type and size to install green
125.18 roofs.

125.19 Subd. 5. Sunset. The task force shall sunset April 1, 2020.

125.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

125.21 Sec. 13. **REPORT; COST-BENEFIT ANALYSIS OF ENERGY STORAGE**

125.22 **SYSTEMS.**

125.23 (a) The commissioner of commerce must contract with an independent consultant selected
125.24 through a request for proposal process to produce a report analyzing the potential costs and
125.25 benefits of energy storage systems, as defined in Minnesota Statutes, section 216B.2422,
125.26 subdivision 1, in Minnesota. The study may also include scenarios examining energy storage
125.27 systems that are not capable of being controlled by a utility. The commissioner must engage
125.28 a broad group of Minnesota stakeholders, including electric utilities and others, to develop
125.29 and provide information for the report. The study must:

125.30 (1) identify and measure the different potential costs and savings produced by energy
125.31 storage system deployment, including but not limited to:

126.1 (i) generation, transmission, and distribution facilities asset deferral or substitution;

126.2 (ii) impacts on ancillary services costs;

126.3 (iii) impacts on transmission and distribution congestion;

126.4 (iv) impacts on peak power costs;

126.5 (v) impacts on emergency power supplies during outages;

126.6 (vi) impacts on curtailment of renewable energy generators; and

322.3 Sec. 63. APPROPRIATION.

322.4 Subdivision 1. **University of Minnesota renewable energy transition.** (a)
322.5 Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
322.6 \$6,000,000 in fiscal year 2020 is appropriated from the renewable development account
322.7 established under Minnesota Statutes, section 116C.779, subdivision 1, to the Board of
322.8 Regents of the University of Minnesota to establish goals and benchmarks and implement
322.9 a rapid transition toward the use of renewable fuels for electricity and thermal energy in
322.10 campus buildings by 2030. This appropriation may only be expended on activities located
322.11 within the electric service area of the public utility subject to Minnesota Statutes, section
322.12 116C.779, subdivision 1. This appropriation is available until December 31, 2024.

322.13 (b) As a condition of receiving the appropriation under paragraph (a), the Board of
322.14 Regents of the University of Minnesota must submit a report by January 15, 2020, and
322.15 biennially thereafter until January 15, 2030, on the progress made toward the goals and
322.16 benchmarks established under paragraph (a) to the chairs and ranking minority members
322.17 of the senate and house of representatives committees and divisions with jurisdiction over
322.18 energy, climate, the environment, and natural resources.

322.19 Subd. 2. **Minnesota State Colleges and Universities renewable energy transition.** (a)
322.20 Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
322.21 \$6,000,000 in fiscal year 2020 is appropriated from the renewable development account
322.22 established in Minnesota Statutes, section 116C.779, subdivision 1, to the Board of Trustees

126.7 (vii) reduced greenhouse gas emissions;
126.8 (2) analyze and estimate the:
126.9 (i) costs and savings to customers that deploy energy storage systems;
126.10 (ii) impact on the utility's ability to integrate renewable resources;
126.11 (iii) impact on grid reliability and power quality; and
126.12 (iv) effect on retail electric rates over the useful life of a given energy storage system
126.13 compared to providing the same services using other facilities or resources;
126.14 (3) consider the findings of analysis conducted by the Midcontinent Independent System
126.15 Operator on energy storage capacity accreditation and participation in regional energy
126.16 markets, including updates of the analysis; and
126.17 (4) include case studies of existing energy storage applications currently providing the
126.18 benefits described in clauses (1) and (2).
126.19 (b) By December 31, 2019, the commissioner of commerce must submit the study to
126.20 the chairs and ranking minority members of the senate and house of representatives
126.21 committees with jurisdiction over energy policy and finance.

126.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

322.23 of the Minnesota State Colleges and Universities to establish goals and benchmarks and
322.24 implement a rapid transition toward the use of renewable fuels for electricity and thermal
322.25 energy in campus buildings by 2030. This appropriation may only be expended on activities
322.26 located within the electric service area of the public utility subject to Minnesota Statutes,
322.27 section 116C.779, subdivision 1. This appropriation is available until December 31, 2024.

322.28 (b) As a condition of receiving the appropriation provided under paragraph (a), the Board
322.29 of Trustees of the Minnesota State Colleges and Universities must submit a report by January
322.30 15, 2020, and biennially thereafter until January 15, 2030, on the steps taken and progress
322.31 made toward achieving the goals and benchmarks established under paragraph (a) to the
322.32 chairs and ranking minority members of the senate and house of representatives committees
322.33 and divisions with jurisdiction over energy, climate, the environment, and natural resources.

323.1 Subd. 3. **Solar devices.** Notwithstanding Minnesota Statutes, section 116C.779,
323.2 subdivision 1, paragraph (j), \$3,500,000 in fiscal year 2020 is appropriated from the
323.3 renewable development account established in Minnesota Statutes, section 116C.779,
323.4 subdivision 1, to the commissioner of natural resources to install and expand solar
323.5 photovoltaic or solar thermal energy devices in state parks served with electricity by the
323.6 public utility subject to Minnesota Statutes, section 116C.779, subdivision 1. The department
323.7 owns any renewable energy credits associated with the electricity generated by a solar
323.8 photovoltaic device funded with this appropriation. This appropriation is available until
323.9 December 31, 2024.

323.10 Subd. 4. **Solar for schools.** Notwithstanding Minnesota Statutes, section 116C.779,
323.11 subdivision 1, paragraph (j), \$16,000,000 in fiscal year 2020 is appropriated from the
323.12 renewable development account established under Minnesota Statutes, section 116C.779,
323.13 subdivision 1, to the commissioner of commerce for transfer to the public utility that is
323.14 subject to Minnesota Statutes, section 216C.376, to award grants and financial assistance
323.15 to schools under the solar for schools program under Minnesota Statutes, section 216C.376.
323.16 This appropriation is available until December 31, 2024.

323.17 Subd. 5. **Metropolitan Council; electric buses.** Notwithstanding Minnesota Statutes,
323.18 section 116C.779, subdivision 1, paragraph (j), \$8,000,000 in fiscal year 2019 is appropriated
323.19 from the renewable development account under Minnesota Statutes, section 116C.779,
323.20 subdivision 1, to the Metropolitan Council to defray the cost of purchasing electric buses,
323.21 as described in section 55. Any funds remaining from this appropriation that are insufficient
323.22 to fully fund the incremental cost of purchasing an electric bus rather than a diesel-operated

127.10 Sec. 17. **APPROPRIATION; SOLAR FOR SCHOOLS.**

127.11 (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
127.12 \$1,000,000 in fiscal year 2020 and \$1,000,000 in fiscal year 2021 are appropriated from
127.13 the renewable development account established under Minnesota Statutes, section 116C.779,
127.14 subdivision 1, to the commissioner of commerce for transfer to the public utility that is
127.15 subject to Minnesota Statutes, section 216C.376, for the purposes of awarding grants and
127.16 financial assistance to schools under the solar for schools program under Minnesota Statutes,
127.17 section 216C.376.

127.18 (b) This appropriation may be used by the commissioner to reimburse the reasonable
127.19 costs incurred by the public utility to administer the solar for schools program under
127.20 Minnesota Statutes, section 216C.375, and the reasonable costs of the department to review
127.21 and approve the public utility's plan, and any proposed modifications to that plan and to
127.22 provide technical assistance, under Minnesota Statutes, section 216C.376, subdivisions 2
127.23 and 8.

323.23 bus cancel back to the renewable development account. This appropriation is available until
 323.24 December 31, 2020.

323.25 Subd. 6. **Electric school bus grant.** Notwithstanding Minnesota Statutes, section
 323.26 116C.779, subdivision 1, paragraph (j), \$500,000 in fiscal year 2020 is appropriated from
 323.27 the renewable development account under Minnesota Statutes, section 116C.779, subdivision
 323.28 1, to the commissioner of education to award a grant to a school district located within the
 323.29 retail electric service area of the public utility subject to Minnesota Statutes, section
 323.30 116C.779, subdivision 1, to purchase an electric school bus. This appropriation is available
 323.31 until December 31, 2024.

323.32 Subd. 7. **Community solar garden administration.** (a) Notwithstanding Minnesota
 323.33 Statutes, section 116C.779, subdivision 1, paragraph (j), \$750,000 in fiscal year 2020 and
 323.34 \$750,000 in fiscal year 2021 are appropriated from the renewable development account
 323.35 established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of
 324.1 commerce for the purpose of funding the Department of Commerce's administrative and
 324.2 enforcement activities under Minnesota Statutes, section 216B.1641, subdivision 4.

324.3 (b) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph
 324.4 (j), \$1,000,000 in fiscal year 2020 and \$1,000,000 in fiscal year 2021 are appropriated from
 324.5 the renewable development account established in Minnesota Statutes, section 116C.779,
 324.6 subdivision 1, to the commissioner of commerce for grants under Minnesota Statutes, section
 324.7 216B.1643.

324.8 (c) Up to three percent of the appropriation made in paragraph (b) is available to the
 324.9 commissioner of commerce for the reasonable costs of administrating the grant program in
 324.10 Minnesota Statutes, section 216B.1643.

324.11 Subd. 8. **Prairie Island Renewable Energy project.** Notwithstanding Minnesota
 324.12 Statutes, section 116C.779, subdivision 1, paragraph (j), \$2,000,000 in fiscal year 2020 and
 324.13 \$3,000,000 in fiscal year 2021 are appropriated from the renewable development account
 324.14 under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of
 324.15 employment and economic development for a grant to the Prairie Island Indian Community
 324.16 to implement the Prairie Island Renewable Energy project under section 58. This
 324.17 appropriation is onetime and is available until December 31, 2024.

324.18 Subd. 9. **Electric vehicle rebates.** Notwithstanding Minnesota Statutes, section 116C.779,
 324.19 subdivision 1, paragraph (j), \$10,400,000 in fiscal year 2020 is appropriated from the
 324.20 renewable development account established in Minnesota Statutes, section 116C.779,
 324.21 subdivision 1, to the commissioner of commerce to award rebates to eligible electric vehicle
 324.22 purchasers under Minnesota Statutes, section 216C.401. Appropriations from this paragraph
 324.23 must be used to award rebates to eligible purchasers who reside within the retail electric

126.23 Sec. 14. APPROPRIATION; PRAIRIE ISLAND NET ZERO PROJECT.

126.24 Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
 126.25 \$20,000,000 in fiscal year 2020; \$7,500,000 in fiscal years 2021, 2022, and 2023; and
 126.26 \$3,700,000 in fiscal year 2024 are appropriated from the renewable development account
 126.27 under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of
 126.28 employment and economic development for a grant to the Prairie Island Indian community
 126.29 to establish the net zero project under section 9.

126.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

324.24 service area of the public utility subject to Minnesota Statutes, section 116C.779, subdivision
324.25 1. This appropriation is available until December 31, 2024.

324.26 Subd. 10. **Electric vehicle charging stations.** Notwithstanding Minnesota Statutes,
324.27 section 116C.779, subdivision 1, paragraph (j), \$2,500,000 in fiscal year 2020 is appropriated
324.28 from the renewable development account established in Minnesota Statutes, section
324.29 116C.779, subdivision 1, to the commissioner of commerce to award grants to install electric
324.30 vehicle charging stations under Minnesota Statutes, section 216C.402. Appropriations from
324.31 this paragraph must be used to award grants to install electric vehicle charging stations
324.32 within the retail electric service area of the public utility subject to Minnesota Statutes,
324.33 section 116C.779, subdivision 1. Up to \$600,000 of this appropriation may be used to fund
324.34 electric vehicle charging stations in state and regional parks and up to \$100,000 may be
325.1 used to fund electric vehicle charging stations in park-and-ride facilities. Unexpended funds
325.2 from this \$700,000 may be used to fund electric vehicle charging stations in either location.
325.3 This appropriation is available until December 31, 2024.

325.4 Subd. 11. **Stretch code.** Notwithstanding Minnesota Statutes, section 116C.779,
325.5 subdivision 1, paragraph (j), \$100,000 in fiscal year 2020 is appropriated from the renewable
325.6 development account established in Minnesota Statutes, section 116C.779, subdivision 1,
325.7 to the commissioner of commerce for transfer to the Center for Sustainable Building Research
325.8 at the University of Minnesota to provide technical assistance to local jurisdictions that
325.9 adopt a voluntary stretch code under Minnesota Statutes, section 326B.106, subdivision 16.
325.10 This is a onetime appropriation. This appropriation is available until December 31, 2024.

325.11 Subd. 12. **Coordinated electric transmission study.** Notwithstanding Minnesota
325.12 Statutes, section 116C.779, subdivision 1, paragraph (j), \$1,000,000 in fiscal year 2020 is
325.13 appropriated from the renewable development account established in Minnesota Statutes,
325.14 section 116C.779, subdivision 1, to the commissioner of commerce to conduct the
325.15 transmission study required under section 59.

325.16 Subd. 13. **Solar incentive program.** Notwithstanding Minnesota Statutes, section
325.17 116C.779, subdivision 1, paragraph (j), \$5,000,000 in fiscal year 2019 is appropriated from

127.24 Sec. 18. **APPROPRIATION; ELECTRIC VEHICLE CHARGING STATION
REVOLVING LOAN PROGRAM.**

127.26 Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
127.27 \$1,500,000 in fiscal year 2020 is appropriated from the renewable development account
127.28 under Minnesota Statutes, section 116C.779, to the commissioner of commerce for the
127.29 electric vehicle charging station revolving loan program under Minnesota Statutes, section
127.30 216C.45. This appropriation must be used only for loans made for electric vehicle charging
127.31 station projects in the service area of a public utility that owns a nuclear electric generating
128.1 plant in Minnesota. The commissioner may use up to three percent of this amount to
128.2 administer the program. This is a onetime appropriation and is available until expended.

325.18 the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for transfer to a public utility that is subject to Minnesota Statutes, section 116C.779, subdivision 1, for the purpose of Minnesota Statutes, section 116C.7792. This appropriation must be expended by December 31, 2019.

325.22 Subd. 14. Made in Minnesota; administration. Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$100,000 in fiscal year 2020 and \$100,000 in fiscal year 2021 are appropriated from the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for the purpose of administering the Made in Minnesota program under Minnesota Statutes, section 216C.417.

325.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

325.29 Sec. 64. **REPEALER.**

325.30 (a) Minnesota Statutes 2018, section 216B.241, subdivisions 1, 2c, and 4, are repealed.
325.31 (b) Laws 2017, chapter 94, article 1, section 7, subdivision 7, is repealed.

127.6 Sec. 16. **APPROPRIATION; GREEN ROOF TASK FORCE.**

127.7 \$55,000 in fiscal year 2020 is appropriated from the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (a), to the commissioner of commerce to complete the green roof report required under section 12.

98.23 Sec. 8. **REPEALER.**

98.24 Minnesota Statutes 2018, section 216B.241, subdivision 1b, is repealed.